

State of the Union [Address] Drafts [1/19/78] [4]

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PRESIDENT JIMMY CARTER

STATE OF THE UNION ADDRESS BEFORE CONGRESS

JANUARY 19, 1978

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE
95TH CONGRESS, LADIES AND GENTLEMEN:

ONE YEAR AGO TOMORROW, I WALKED FROM HERE TO THE
WHITE HOUSE TO TAKE UP THE DUTIES OF PRESIDENT OF THE
UNITED STATES. I RETURN TONIGHT TO FULFILL ONE OF THOSE
DUTIES: TO "GIVE TO THE CONGRESS" -- AND THE NATION --
"INFORMATION ON THE STATE OF THE UNION."

MILITARILY, POLITICALLY, ECONOMICALLY, AND IN
SPIRIT, THE STATE OF OUR UNION IS SOUND.

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WE ARE A GREAT COUNTRY . . .

WE ARE A GREAT COUNTRY, A STRONG COUNTRY, A
VITAL AND DYNAMIC COUNTRY -- AND SO WE WILL REMAIN.

WE ARE A CONFIDENT PEOPLE, A HARD-WORKING PEOPLE,
A DECENT AND COMPASSIONATE PEOPLE -- AND SO WE WILL
REMAIN.

I WANT TO SPEAK TO YOU TONIGHT ABOUT WHERE WE
ARE, AND WHERE WE MUST GO -- WHAT WE HAVE DONE, AND
WHAT WE MUST DO -- AND I WANT TO PLEDGE MY BEST EFFORTS,
AND TO ASK YOU TO PLEDGE YOURS.

EACH GENERATION OF AMERICANS HAS TO FACE
CIRCUMSTANCES NOT OF ITS OWN CHOOSING, BY WHICH ITS
CHARACTER IS MEASURED AND ITS SPIRIT IS TESTED.

THERE ARE TIMES OF EMERGENCY, WHEN A NATION
AND ITS LEADERS MUST BRING THEIR ENERGIES TO BEAR
ON A SINGLE URGENT TASK.

THAT WAS THE DUTY ABRAHAM LINCOLN FACED WHEN OUR LAND WAS TORN APART BY CONFLICT. THAT WAS THE DUTY FACED TWICE BY FRANKLIN ROOSEVELT: WHEN HE LED AMERICA OUT OF ECONOMIC DEPRESSION, AND AGAIN WHEN HE LED AMERICA TO VICTORY IN WAR.

THERE ARE OTHER TIMES WHEN THERE IS NO SINGLE OVERWHELMING CRISIS -- YET PROFOUND NATIONAL INTERESTS ARE AT STAKE.

AT SUCH TIMES THE RISK OF INACTION CAN BE EQUALLY GREAT. IT BECOMES THE TASK OF LEADERS TO CALL FORTH THE VAST AND RESTLESS ENERGIES OF OUR PEOPLE TO BUILD FOR THE FUTURE.

THAT IS WHAT HARRY TRUMAN DID IN THE YEARS AFTER THE SECOND WORLD WAR, WHEN WE HELPED EUROPE AND JAPAN

. . . REBUILD THEMSELVES AND SECURED . . .

REBUILD THEMSELVES AND SECURED AN INTERNATIONAL ORDER
THAT HAS PROTECTED FREEDOM FROM AGGRESSION.

WE LIVE IN SUCH TIMES NOW -- AND FACE SUCH
DUTIES.

WE HAVE COME THROUGH A LONG PERIOD OF TURMOIL
AND DOUBT, BUT WE HAVE ONCE AGAIN FOUND OUR MORAL
COURSE AND WITH A NEW SPIRIT WE ARE STRIVING TO
EXPRESS OUR BEST INSTINCTS TO THE REST OF THE WORLD.

THERE IS ALL ACROSS OUR LAND A GROWING SENSE
OF PEACE AND COMMON PURPOSE. THIS SENSE OF UNITY
CANNOT BE EXPRESSED IN PROGRAMS, LEGISLATION, OR
DOLLARS. IT IS AN ACHIEVEMENT THAT BELONGS TO EVERY
INDIVIDUAL AMERICAN. THIS UNITY TOWERS OVER ALL OUR
EFFORTS HERE IN WASHINGTON, AND SERVES AS AN INSPIRING
BEACON FOR ALL OF US ELECTED TO SERVE.

THIS NEW ATMOSPHERE DEMANDS A NEW SPIRIT --

A PARTNERSHIP BETWEEN THOSE WHO LEAD AND THOSE WHO ELECT. THE FOUNDATION OF THIS PARTNERSHIP IS TRUTH, THE COURAGE TO FACE HARD DECISIONS, CONCERN FOR ONE ANOTHER AND THE COMMON GOOD OVER SPECIAL INTEREST, AND A BASIC FAITH AND TRUST IN THE WISDOM AND STRENGTH OF THE AMERICAN PEOPLE.

FOR THE FIRST TIME IN A GENERATION, WE ARE NOT HAUNTED BY A MAJOR INTERNATIONAL CRISIS OR BY DOMESTIC TURMOIL, AND WE NOW HAVE A RARE AND PRICELESS OPPORTUNITY TO ADDRESS THE PERSISTENT PROBLEMS WHICH BURDEN US AS A NATION AND WHICH BECAME QUIETLY AND STEADILY WORSE OVER THE YEARS.

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AS PRESIDENT I HAVE HAD TO ASK YOU . . .

AS PRESIDENT I HAVE HAD TO ASK YOU -- THE MEMBERS OF CONGRESS, AND THE AMERICAN PEOPLE -- TO COME TO GRIPS WITH SOME OF THE HARDEST QUESTIONS FACING OUR SOCIETY.

WE MUST MAKE A MAXIMUM EFFORT -- BECAUSE IF WE DO NOT AIM FOR THE BEST, WE ARE LIKELY TO ACHIEVE VERY LITTLE.

I SEE NO BENEFIT TO THE COUNTRY IF WE DELAY, BECAUSE THE PROBLEMS WILL ONLY GROW WORSE.

WE NEED PATIENCE AND GOOD WILL, AND WE NEED TO REALIZE THAT THERE IS A LIMIT TO THE ROLE AND FUNCTION OF GOVERNMENT. GOVERNMENT CANNOT SOLVE ALL OUR PROBLEMS, SET ALL OUR GOALS, OR DEFINE OUR VISION.

GOVERNMENT CANNOT ELIMINATE POVERTY, PROVIDE A
BOUNTIFUL ECONOMY, REDUCE INFLATION, SAVE OUR CITIES,
CURE ILLITERACY, PROVIDE ENERGY, OR MANDATE GOODNESS.
ONLY A TRUE PARTNERSHIP BETWEEN GOVERNMENT AND THE
PEOPLE CAN HOPE TO REACH THESE GOALS.

THOSE WHO GOVERN CAN SOMETIMES INSPIRE, AND
WE CAN IDENTIFY NEEDS AND MARSHAL RESOURCES, BUT WE
CANNOT BE THE MANAGERS OF EVERYTHING AND EVERYBODY.

WE MUST MOVE AWAY FROM CRISIS MANAGEMENT AND
ESTABLISH CLEAR GOALS FOR THE FUTURE WHICH WILL LET
US WORK TOGETHER AND NOT IN CONFLICT. NEVER AGAIN
SHOULD WE NEGLECT A GROWING CRISIS LIKE THE SHORTAGE
OF ENERGY, WHERE FURTHER DELAY WILL ONLY LEAD TO
MORE HARSH AND PAINFUL SOLUTIONS.

EVERY DAY WE SPEND MORE THAN . . .

EVERY DAY WE SPEND MORE THAN \$120 MILLION FOR FOREIGN OIL. THIS SLOWS OUR ECONOMIC GROWTH, LOWERS THE VALUE OF THE DOLLAR OVERSEAS, AND AGGRAVATES UNEMPLOYMENT AND INFLATION AT HOME.

WE KNOW WE HAVE TO ACT. WE KNOW WHAT WE MUST DO: INCREASE ENERGY PRODUCTION, CUT DOWN ON WASTE, AND USE MORE OF THOSE FUELS WHICH ARE PLENTIFUL AND MORE PERMANENT. WE MUST BE FAIR TO PEOPLE, AND NOT DISRUPT OUR NATION'S ECONOMY AND THE BUDGET.

IT SOUNDS SIMPLE, BUT I RECOGNIZE THE DIFFICULTIES INVOLVED. I KNOW IT IS NOT EASY FOR THE CONGRESS TO ACT. BUT THE FACT REMAINS THAT ON ENERGY LEGISLATION WE HAVE FAILED THE AMERICAN PEOPLE. ALMOST FIVE YEARS AFTER THE OIL EMBARGO DRAMATIZED THE PROBLEM, WE STILL DO NOT HAVE A NATIONAL ENERGY PROGRAM. NOT MUCH LONGER CAN WE

...TOLERATE THIS STALEMATE.

TOLERATE THIS STALEMATE. IT UNDERMINES OUR NATIONAL
INTEREST BOTH AT HOME AND ABROAD. WE MUST SUCCEED,
AND I BELIEVE WE WILL!

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OUR MAIN TASK AT HOME THIS YEAR, WITH ENERGY
A CENTRAL ELEMENT, IS THE NATION'S ECONOMY. WE MUST
CONTINUE THE RECOVERY AND FURTHER CUT UNEMPLOYMENT
AND INFLATION.

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LAST YEAR WAS A GOOD ONE FOR THE UNITED STATES.
WE REACHED OUR MAJOR ECONOMIC GOALS FOR 1977.
FOUR MILLION NEW JOBS WERE CREATED -- AN ALL TIME
RECORD -- AND THE NUMBER OF UNEMPLOYED DROPPED BY
MORE THAN A MILLION.

UNEMPLOYMENT IS AT ITS LOWEST...

UNEMPLOYMENT IS AT ITS LOWEST LEVEL SINCE 1974,
AND NOT SINCE WORLD WAR II HAS SUCH A HIGH PERCENTAGE
OF OUR PEOPLE BEEN EMPLOYED.

THE RATE OF INFLATION WENT DOWN. THERE WAS
GOOD GROWTH IN BUSINESS PROFITS AND INVESTMENTS --
THE SOURCE OF MORE JOBS FOR OUR WORKERS -- AND A
HIGHER STANDARD OF LIVING FOR ALL OUR PEOPLE. AFTER
TAXES AND INFLATION, THERE WAS A HEALTHY INCREASE IN
WORKERS' WAGES.

THIS YEAR, OUR COUNTRY WILL HAVE THE FIRST
TWO TRILLION DOLLAR ECONOMY IN THE HISTORY OF THE WORLD.

WE ARE PROUD OF THE PROGRESS THIS FIRST YEAR,
BUT WE MUST DO EVEN BETTER.

WE STILL HAVE SERIOUS PROBLEMS ON WHICH ALL OF US MUST WORK TOGETHER. OUR TRADE DEFICIT IS TOO LARGE, INFLATION IS STILL TOO HIGH, AND TOO MANY AMERICANS STILL DO NOT HAVE A JOB.

I HAVE NO SIMPLE ANSWERS FOR THESE PROBLEMS. BUT WE HAVE DEVELOPED AN ECONOMIC POLICY THAT IS WORKING, BECAUSE IT IS SENSIBLE, BALANCED, AND FAIR. IT IS BASED ON FOUR PRINCIPLES:

-- FIRST, THE ECONOMY MUST KEEP ON EXPANDING TO PRODUCE THE NEW JOBS AND INCOME OUR PEOPLE NEED. THE FRUITS OF GROWTH MUST BE WIDELY SHARED. MORE JOBS MUST BE MADE AVAILABLE FOR THOSE WHO HAVE BEEN BY-PASSED UNTIL NOW, AND THE TAX SYSTEM MUST BE MADE FAIRER AND SIMPLER.

! --SECOND, PRIVATE BUSINESS, . . .

-- SECOND, PRIVATE BUSINESS, NOT THE GOVERNMENT,
MUST LEAD THE EXPANSION.

-- THIRD, WE MUST LOWER THE RATE OF INFLATION
AND KEEP IT DOWN. INFLATION SLOWS DOWN ECONOMIC
GROWTH, AND IT IS MOST CRUEL TO THE POOR AND TO THE
ELDERLY AND OTHERS WHO LIVE ON FIXED INCOMES.

-- FOURTH, WE MUST CONTRIBUTE TO THE STRENGTH
OF THE WORLD ECONOMY.

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I WILL ANNOUNCE PROPOSALS FOR IMPROVING OUR
TAX SYSTEM LATER THIS WEEK. WE CAN MAKE OUR TAX LAWS
FAIRER; WE CAN MAKE THEM SIMPLER AND EASIER TO
UNDERSTAND; AND AT THE SAME TIME WE CAN -- AND WE WILL --
REDUCE THE TAX BURDEN ON AMERICAN CITIZENS BY \$25 BILLION!

THE TAX REFORMS AND TAX REDUCTIONS GO TOGETHER.
ONLY WITH THE LONG OVERDUE REFORMS WILL THE FULL TAX
CUT BE ADVISABLE.

ALMOST \$17 BILLION IN INCOME TAX CUTS WILL GO
TO INDIVIDUALS. NINETY-SIX PERCENT OF AMERICAN
TAXPAYERS WILL SEE THEIR TAXES GO DOWN. FOR A TYPICAL
FAMILY OF FOUR THIS WILL MEAN AN ANNUAL SAVING OF MORE
THAN \$250 -- A TAX REDUCTION OF ABOUT 20 PERCENT.
A FURTHER CUT OF \$2 BILLION IN EXCISE TAXES WILL GIVE
MORE RELIEF AND DIRECTLY REDUCE THE RATE OF INFLATION.

WE WILL ALSO PROVIDE STRONG ADDITIONAL INCENTIVES
FOR BUSINESS INVESTMENT THROUGH SUBSTANTIAL CUTS IN
CORPORATE TAX RATES AND IMPROVEMENTS IN THE INVESTMENT
TAX CREDIT.

OUR TAX PROPOSALS WILL . . .

OUR TAX PROPOSALS WILL INCREASE OPPORTUNITY EVERYWHERE IN THIS NATION, BUT ADDITIONAL JOBS FOR THE DISADVANTAGED DESERVE SPECIAL ATTENTION.

WE HAVE ALREADY PASSED LAWS TO ASSURE EQUAL ACCESS TO THE VOTING BOOTH, TO SCHOOLS, TO HOUSING, AND TO JOBS. BUT JOB OPPORTUNITY -- THE CHANCE TO EARN A DECENT LIVING -- IS ALSO A BASIC HUMAN RIGHT WHICH WE CANNOT AND WILL NOT IGNORE.

A MAJOR PRIORITY FOR OUR NATION IS THE FINAL ELIMINATION OF BARRIERS THAT RESTRICT THE OPPORTUNITIES AVAILABLE TO WOMEN, AND TO BLACK PEOPLE, HISPANICS, AND OTHER MINORITIES. WE HAVE COME A LONG WAY TOWARD THAT GOAL, BUT THERE IS STILL MUCH TO DO. WHAT WE INHERITED FROM THE PAST MUST NOT BE PERMITTED TO SHACKLE US IN THE FUTURE.

I AM ASKING FOR A SUBSTANTIAL INCREASE IN FUNDS FOR PUBLIC JOBS FOR OUR YOUNG PEOPLE AND I AM ALSO RECOMMENDING THAT THE CONGRESS CONTINUE THE PUBLIC SERVICE EMPLOYMENT PROGRAMS AT MORE THAN TWICE THE LEVEL OF A YEAR AGO. WHEN WELFARE REFORM IS COMPLETED, WE WILL HAVE MORE THAN A MILLION ADDITIONAL JOBS SO THAT THOSE ON WELFARE WHO ARE ABLE TO WORK CAN WORK.

HOWEVER, WE KNOW THAT IN OUR FREE ECONOMY, PRIVATE BUSINESS IS STILL THE BEST SOURCE OF NEW JOBS. THEREFORE, I ALSO PROPOSE A NEW PROGRAM TO ENCOURAGE BUSINESSES TO HIRE YOUNG AND DISADVANTAGED AMERICANS. THESE YOUNG PEOPLE ONLY NEED SKILLS -- AND A CHANCE -- IN ORDER TO TAKE THEIR PLACE IN OUR ECONOMIC SYSTEM. LET'S GIVE THEM THE CHANCE THEY NEED. A MAJOR STEP FORWARD WILL BE EARLY PASSAGE OF THE GREATLY IMPROVED HUMPHREY-HAWKINS BILL.

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MY BUDGET FOR 1979 ADDRESSES OUR NATIONAL NEEDS, BUT IT IS LEAN AND TIGHT. I HAVE CUT WASTE WHEREVER POSSIBLE.

I AM PROPOSING AN INCREASE OF LESS THAN TWO PERCENT AFTER ADJUSTING FOR INFLATION -- THE SMALLEST INCREASE IN THE FEDERAL BUDGET IN FOUR YEARS.

LATELY, FEDERAL SPENDING HAS TAKEN A STEADILY INCREASING PORTION OF WHAT AMERICANS PRODUCE. OUR NEW BUDGET REVERSES THAT TREND, AND LATER I HOPE TO BRING THE GOVERNMENT'S TOLL DOWN EVEN FURTHER.

IN TIME OF HIGH EMPLOYMENT AND A STRONG ECONOMY, DEFICIT SPENDING SHOULD NOT BE A FEATURE OF OUR BUDGET. AS THE ECONOMY CONTINUES TO GAIN STRENGTH AND OUR UNEMPLOYMENT RATES CONTINUE TO FALL, REVENUES WILL GROW.

WITH CAREFUL PLANNING, EFFICIENT MANAGEMENT, AND PROPER RESTRAINT ON SPENDING, WE CAN MOVE RAPIDLY TOWARD A BALANCED BUDGET -- AND WE WILL.

NEXT YEAR THE BUDGET DEFICIT WILL BE ONLY SLIGHTLY LESS THAN THIS FISCAL YEAR -- BUT ONE-THIRD OF THE DEFICIT IS DUE TO THE NECESSARY TAX CUTS I HAVE PROPOSED.

THIS YEAR THE RIGHT CHOICE IS TO REDUCE THE BURDEN ON THE TAXPAYERS AND PROVIDE MORE JOBS FOR OUR PEOPLE.

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THE THIRD ELEMENT IN OUR PROGRAM IS A RENEWED ATTACK ON INFLATION. WE HAVE LEARNED THE HARD WAY THAT HIGH UNEMPLOYMENT WILL NOT PREVENT OR CURE INFLATION.

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GOVERNMENT CAN HELP BY . . .

GOVERNMENT CAN HELP BY STIMULATING PRIVATE INVESTMENT AND BY MAINTAINING A RESPONSIBLE ECONOMIC POLICY. THROUGH A NEW TOP LEVEL REVIEW PROCESS, WE WILL DO A BETTER JOB OF REDUCING GOVERNMENT REGULATION THAT DRIVES UP COSTS AND PRICES.

BUT, AGAIN, GOVERNMENT ALONE CANNOT BRING DOWN THE RATE OF INFLATION. WHEN A LEVEL OF HIGH INFLATION IS EXPECTED TO CONTINUE COMPANIES RAISE PRICES TO PROTECT THEIR PROFIT MARGINS AGAINST PROSPECTIVE INCREASES IN WAGES AND OTHER COSTS, WHILE WORKERS DEMAND HIGHER WAGES AS PROTECTION AGAINST EXPECTED PRICE INCREASES. IT'S LIKE ESCALATION IN THE ARMS RACE AND, UNDERSTANDABLY, NO ONE WANTS TO DISARM ALONE.

NO ONE FIRM OR GROUP OF WORKERS CAN HALT THIS PROCESS. IT IS AN EFFORT WE MUST ALL MAKE TOGETHER.

I AM THEREFORE ASKING GOVERNMENT, BUSINESS, LABOR,
AND OTHER GROUPS TO JOIN IN A VOLUNTARY PROGRAM TO
MODERATE INFLATION BY HOLDING WAGE AND PRICE INCREASES
IN EACH SECTOR OF THE ECONOMY DURING 1978 BELOW THE
AVERAGE INCREASES OF THE LAST TWO YEARS.

I DO NOT BELIEVE IN WAGE AND PRICE CONTROLS.

A SINCERE COMMITMENT TO VOLUNTARY CONSTRAINT PROVIDES
A WAY -- PERHAPS THE ONLY WAY -- TO FIGHT INFLATION
WITHOUT GOVERNMENT INTERFERENCE.

(AGRICULTURE PROBLEMS)

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ECONOMIC SUCCESS AT HOME IS ALSO THE KEY TO
SUCCESS IN OUR INTERNATIONAL ECONOMIC POLICY.

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AND EFFECTIVE ENERGY PROGRAM...

AN EFFECTIVE ENERGY PROGRAM, STRONG INVESTMENT AND
PRODUCTIVITY, AND CONTROLLED INFLATION WILL IMPROVE
OUR TRADE BALANCE AND HELP TO PROTECT THE INTEGRITY
OF THE DOLLAR OVERSEAS.

BY WORKING CLOSELY WITH OUR FRIENDS ABROAD WE
CAN PROMOTE THE ECONOMIC HEALTH OF THE WORLD WITH FAIR
AND BALANCED AGREEMENTS LOWERING BARRIERS TO TRADE.

DESPITE THE INEVITABLE PRESSURES WHICH DEVELOP
WHEN THE WORLD ECONOMY SUFFERS FROM HIGH UNEMPLOYMENT,
WE MUST FIRMLY RESIST THE DEMANDS FOR SELF-DEFEATING
PROTECTIONISM. BUT FREE TRADE MUST ALSO BE FAIR TRADE.

I AM DETERMINED TO PROTECT AMERICAN INDUSTRY AND WORKERS
AGAINST UNFAIR OR ILLEGAL FOREIGN TRADE PRACTICES.

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IN A SEPARATE WRITTEN MESSAGE TO CONGRESS I HAVE OUTLINED OTHER DOMESTIC INITIATIVES, SUCH AS WELFARE REFORM, CONSUMER PROTECTION, BASIC EDUCATION SKILLS, URBAN POLICY, REFORM OF OUR LABOR LAWS, AND NATIONAL HEALTH CARE. I WILL NOT REPEAT THOSE HERE TONIGHT, BUT THERE ARE SEVERAL POINTS I WOULD LIKE TO MAKE DIRECTLY TO YOU.

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DURING THESE PAST YEARS AMERICANS HAVE SEEN OUR GOVERNMENT GROW FAR FROM US.

FOR SOME CITIZENS IT HAS BECOME ALMOST LIKE A FOREIGN COUNTRY, SO STRANGE AND DISTANT THAT OFTEN WE HAVE TO DEAL WITH IT THROUGH TRAINED AMBASSADORS WHO HAVE SOMETIMES BECOME TOO POWERFUL AND INFLUENTIAL -- LAWYERS, ACCOUNTANTS, AND LOBBYISTS.

THIS CANNOT GO ON . . .

THIS CANNOT GO ON.

WE MUST HAVE WHAT ABRAHAM LINCOLN SOUGHT --
A GOVERNMENT FOR THE PEOPLE.

WE HAVE MADE PROGRESS TOWARD THAT KIND OF GOVERNMENT.
YOU HAVE GIVEN ME THE AUTHORITY I REQUESTED TO REORGANIZE
THE FEDERAL BUREAUCRACY, AND I AM USING IT.

WE HAVE ALREADY BEGUN A SERIES OF REORGANIZATION
PLANS WHICH WILL BE COMPLETED OVER A PERIOD OF THREE
YEARS.

WE HAVE ALSO PROPOSED ABOLISHING ALMOST 500
FEDERAL ADVISORY COMMISSIONS AND BOARDS.

BUT I KNOW THAT OUR PEOPLE ARE STILL SICK AND
TIRED OF FEDERAL PAPERWORK AND RED TAPE. BIT BY BIT

...WE ARE CHOPPING DOWN...

WE ARE CHOPPING DOWN THE THICKET OF UNNECESARY FEDERAL REGULATIONS BY WHICH GOVERNMENT TOO OFTEN INTERFERES IN OUR PERSONAL LIVES AND BUSINESS. WE HAVE CUT THE PUBLIC'S FEDERAL PAPERWORK LOAD BY 12 PERCENT IN LESS THAN A YEAR. AND WE ARE NOT THROUGH CUTTING.

WE HAVE MADE A GOOD START ON TURNING THE GOBBLEDYGOOK OF FEDERAL REGULATIONS INTO PLAIN ENGLISH THAT PEOPLE CAN UNDERSTAND, BUT WE STILL HAVE A LONG WAY TO GO.

WE HAVE BROUGHT TOGETHER PARTS OF ELEVEN GOVERNMENT AGENCIES TO CREATE THE NEW DEPARTMENT OF ENERGY -- AND NOW IT IS TIME TO TAKE ANOTHER MAJOR STEP BY CREATING A SEPARATE DEPARTMENT OF EDUCATION.

BUT EVEN THE BEST-ORGANIZED....

BUT EVEN THE BEST-ORGANIZED GOVERNMENT WILL
ONLY BE AS EFFECTIVE AS THE PEOPLE WHO CARRY OUT ITS
POLICIES.

FOR THIS REASON, I CONSIDER CIVIL SERVICE REFORM
TO BE ABSOLUTELY VITAL. WORKED OUT WITH THE CIVIL
SERVANTS THEMSELVES, THIS REORGANIZATION PLAN WILL RESTORE
THE MERIT PRINCIPLE TO A SYSTEM WHICH HAS GROWN INTO
A BUREAUCRATIC MAZE. IT WILL PROVIDE GREATER MANAGEMENT
FLEXIBILITY AND BETTER REWARDS FOR BETTER PERFORMANCE
WITHOUT COMPROMISING JOB SECURITY.

THEN AND ONLY THEN CAN WE HAVE A GOVERNMENT THAT
IS EFFICIENT, OPEN, AND TRULY WORTHY OF OUR PEOPLE'S
UNDERSTANDING AND RESPECT.

I HAVE PROMISED WE WILL HAVE SUCH A GOVERNMENT.

I INTEND TO KEEP THAT PROMISE.

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IN OUR FOREIGN POLICY, THE SEPARATION OF OUR PEOPLE FROM GOVERNMENT HAS BEEN A SOURCE OF WEAKNESS AND ERROR. IN A DEMOCRATIC SYSTEM LIKE OURS, FOREIGN POLICY DECISIONS MUST BE ABLE TO STAND THE TEST OF PUBLIC EXAMINATION AND DEBATE. IF WE MAKE A MISTAKE IN THIS ADMINISTRATION, IT WILL BE ON THE SIDE OF FRANKNESS AND OPENNESS WITH THE AMERICAN PEOPLE.

IN OUR MODERN WORLD WHEN THE DEATHS OF MILLIONS CAN RESULT FROM A FEW TERRIFYING SECONDS OF DESTRUCTION, THE PATH TO NATIONAL STRENGTH AND SECURITY IS IDENTICAL WITH THE PATH TO PEACE.

TONIGHT I AM HAPPY TO REPORT . . .

TONIGHT I AM HAPPY TO REPORT THAT BECAUSE WE ARE
STRONG OUR NATION IS AT PEACE WITH THE WORLD.

WE ARE A CONFIDENT NATION. WE HAVE RESTORED
A MORAL BASIS FOR OUR FOREIGN POLICY. THE VERY HEART
OF OUR IDENTITY AS A NATION IS OUR FIRM COMMITMENT TO
HUMAN RIGHTS.

WE STAND FOR HUMAN RIGHTS BECAUSE WE BELIEVE
THAT THE PURPOSE OF GOVERNMENT IS TO PROMOTE THE
WELL-BEING OF ITS CITIZENS. THIS IS TRUE IN OUR
DOMESTIC AND IN OUR FOREIGN POLICY. THE WORLD MUST KNOW
THAT IN SUPPORT OF HUMAN RIGHTS THE UNITED STATES WILL
STAND FIRM.

WE EXPECT NO QUICK OR EASY RESULTS, BUT THERE
HAS BEEN SIGNIFICANT MOVEMENT TOWARD GREATER FREEDOM
AND HUMANITY IN SEVERAL PARTS OF THE WORLD.

THOUSANDS OF POLITICAL PRISONERS HAVE BEEN
FREED. THE LEADERS OF THE WORLD -- EVEN OUR IDEOLOGICAL
ADVERSARIES -- NOW SEE THAT THEIR ATTITUDE TOWARD
FUNDAMENTAL HUMAN RIGHTS AFFECTS THEIR STANDING IN THE
INTERNATIONAL COMMUNITY AND THEIR RELATIONS WITH THE
UNITED STATES.

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TO SERVE THE INTERESTS OF EVERY AMERICAN,
OUR FOREIGN POLICY HAS THREE MAJOR GOALS.

OUR FIRST AND PRIME CONCERN IS AND WILL REMAIN
THE SECURITY OF OUR COUNTRY.

SECURITY IS BASED ON OUR NATIONAL WILL AND
ON THE STRENGTH OF OUR ARMED FORCES. WE HAVE THE
WILL, AND MILITARILY WE ARE VERY STRONG.

SECURITY ALSO COMES THROUGH . . .

SECURITY ALSO COMES THROUGH THE STRENGTH OF OUR ALLIANCES. WE HAVE REAFFIRMED OUR COMMITMENT TO THE DEFENSE OF EUROPE, AND THIS YEAR WE WILL DEMONSTRATE THAT COMMITMENT BY FURTHER MODERNIZING AND STRENGTHENING OUR MILITARY CAPABILITIES THERE.

SECURITY CAN ALSO BE ENHANCED BY AGREEMENTS WITH POTENTIAL ADVERSARIES WHICH REDUCE THE THREAT OF NUCLEAR DISASTER WHILE MAINTAINING OUR OWN RELATIVE STRATEGIC CAPABILITY.

IN AREAS OF PEACEFUL COMPETITION WITH THE SOVIET UNION WE WILL CONTINUE TO MORE THAN HOLD OUR OWN.

AT THE SAME TIME WE ARE NEGOTIATING WITH QUIET CONFIDENCE, WITHOUT HASTE, WITH CAREFUL DETERMINATION TO EASE THE TENSIONS BETWEEN US AND TO ENSURE GREATER STABILITY AND SECURITY.

THE STRATEGIC ARMS LIMITATION TALKS HAVE BEEN
DIFFICULT AND PROLONGED. WE WANT A MUTUAL LIMIT ON BOTH
THE QUALITY AND QUANTITY OF THE GIANT NUCLEAR ARSENALS
OF BOTH NATIONS -- AND THEN ACTUAL REDUCTIONS IN
STRATEGIC ARMS AS A MAJOR STEP TOWARD ULTIMATE ELIMINATION
OF NUCLEAR WEAPONS FROM THE FACE OF THE EARTH.

IF THE TALKS RESULT IN AN AGREEMENT THIS YEAR --
AND I TRUST THEY WILL -- I PLEDGE TO YOU THAT THE
AGREEMENT WILL MAINTAIN AND ENHANCE THE STABILITY OF
THE WORLD'S STRATEGIC BALANCE AND THE SECURITY OF THE
UNITED STATES.

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FOR 30 YEARS, CONCERTED BUT UNSUCCESSFUL EFFORTS
HAVE BEEN MADE TO BAN THE TESTING OF ATOMIC EXPLOSIVES --
BOTH MILITARY WEAPONS AND PEACEFUL NUCLEAR DEVICES.

WE ARE HARD AT WORK . . .

WE ARE HARD AT WORK WITH GREAT BRITAIN AND THE SOVIET UNION ON AN AGREEMENT WHICH WILL STOP TESTING, AND WILL PROTECT OUR NATIONAL SECURITY AND PROVIDE FOR ADEQUATE VERIFICATION OF COMPLIANCE.

WE ARE NOW MAKING PROGRESS TOWARD THIS COMPREHENSIVE BAN ON NUCLEAR EXPLSOIONS.

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WE ARE ALSO WORKING VIGOROUSLY TO HALT THE PROLIFERATION OF NUCLEAR WEAPONS AMONG THE NATIONS OF THE WORLD, AND TO REDUCE THE DEADLY GLOBAL TRAFFIC IN CONVENTIONAL ARMS SALES. OUR STAND FOR PEACE IS SUSPECT IF WE ARE ALSO THE PRINCIPAL ARMS MERCHANT OF THE WORLD. SO WE HAVE DECIDED TO CUT DOWN OUR ARMS TRANSFERS ABROAD, ON A YEAR-BY-YEAR BASIS, AND TO WORK WITH OTHER MAJOR ARMS EXPORTERS TO ENCOURAGE THEIR SIMILAR RESTRAINT.

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EVERY AMERICAN HAS A STAKE IN OUR SECOND MAJOR GOAL -- A WORLD AT PEACE. IN A NUCLEAR AGE, EACH OF US IS THREATENED WHEN PEACE IS NOT SECURED.

WE ARE TRYING TO PROMOTE HARMONY IN THOSE PARTS OF THE WORLD WHERE MAJOR DIFFERENCES AMONG OTHER NATIONS THREATEN INTERNATIONAL PEACE.

IN THE MIDDLE EAST WE ARE CONTRIBUTING OUR GOOD OFFICES TO MAINTAIN THE MOMENTUM OF THE CURRENT NEGOTIATIONS -- AND TO KEEP OPEN THE LINES OF COMMUNICATION AMONG THE MIDDLE EAST LEADERS. THE WHOLE WORLD HAS A GREAT STAKE IN THE SUCCESS OF THESE EFFORTS. THIS IS A PRECIOUS OPPORTUNITY FOR THE HISTORIC SETTLEMENT OF A LONGSTANDING CONFLICT -- AN OPPORTUNITY WHICH MAY NOT COME AGAIN IN OUR LIFETIME.

OUR ROLE HAS BEEN . . .

OUR ROLE HAS BEEN DIFFICULT, AND SOMETIMES
THANKLESS AND CONTROVERSIAL, BUT IT HAS BEEN CONSTRUCTIVE
AND NECESSARY -- AND IT WILL CONTINUE.

* * *

OUR THIRD MAJOR FOREIGN POLICY GOAL IS ONE THAT
TOUCHES THE LIFE OF EVERY AMERICAN CITIZEN, EVERY DAY:
WORLD ECONOMIC GROWTH AND STABILITY.

THIS REQUIRES STRONG ECONOMIC PERFORMANCE BY
THE INDUSTRIALIZED DEMOCRACIES AND PROGRESS IN RESOLVING
THE GLOBAL ENERGY CRISIS. LAST FALL, WITH THE HELP
OF OTHERS, WE SUCCEEDED IN OUR VIGOROUS EFFORTS TO
MAINTAIN STABILITY IN THE PRICE OF OIL. BUT AS MANY
FOREIGN LEADERS HAVE EMPHASIZED, THE GREATEST FUTURE
CONTRIBUTION AMERICA CAN MAKE TO THE WORLD ECONOMY WOULD
BE AN EFFECTIVE ENERGY CONSERVATION PROGRAM HERE AT HOME.

WE WILL NOT HESITATE TO TAKE THE ACTIONS NEEDED TO
PROTECT THE INTEGRITY OF THE DOLLAR.

WE ARE TRYING TO DEVELOP A MORE JUST INTERNATIONAL
SYSTEM. IN THIS SPIRIT, WE ARE SUPPORTING THE STRUGGLE
FOR HUMAN DEVELOPMENT IN ASIA, AFRICA, AND LATIN AMERICA.

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FINALLY, THE WORLD IS WATCHING TO SEE HOW WE
ACT ON ONE OF OUR MOST IMPORTANT ITEMS OF BUSINESS:
APPROVAL OF THE PANAMA CANAL TREATIES. THE TREATIES
NOW BEFORE THE SENATE ARE THE RESULT OF THE WORK OF
FOUR ADMINISTRATIONS -- TWO DEMOCRATIC AND TWO REPUBLICAN.
THEY GUARANTEE THAT THE CANAL WILL BE OPEN ALWAYS FOR
UNRESTRICTED USE BY THE SHIPS OF THE WORLD. OUR SHIPS
HAVE THE RIGHT TO GO TO THE HEAD OF THE LINE FOR PRIORITY
OF PASSAGE IN TIMES OF NEED OR EMERGENCY.

WE RETAIN THE PERMANENT . . .

WE RETAIN THE PERMANENT RIGHT TO DEFEND THE CANAL WITH OUR OWN MILITARY FORCES IF NECESSARY TO GUARANTEE ITS OPENNESS AND NEUTRALITY. THE TREATIES ARE TO THE CLEAR ADVANTAGE OF OURSELVES, THE PANAMANIAN, AND THE OTHER USERS OF THE CANAL. RATIFYING THE PANAMA CANAL TREATIES WILL DEMONSTRATE OUR GOOD FAITH TO THE WORLD, DISCOURAGE THE SPREAD OF HOSTILE IDEOLOGIES IN THIS HEMISPHERE, AND DIRECTLY CONTRIBUTE TO THE ECONOMIC WELLBEING AND SECURITY OF THE UNITED STATES.

* * *

THERE WERE TWO MOMENTS ON MY RECENT JOURNEY WHICH, FOR ME, CONFIRMED WHAT THE FINAL AIMS OF OUR FOREIGN POLICY MUST ALWAYS BE. ONE WAS IN A VILLAGE IN INDIA, WHERE I MET PEOPLE AS PASSIONATELY ATTACHED TO THEIR RIGHTS AND LIBERTIES AS WE ARE --

...BUT WHOSE CHILDREN...

BUT WHOSE CHILDREN HAVE A FAR SMALLER CHANCE FOR GOOD HEALTH, EDUCATION, AND HUMAN FULFILLMENT THAN A CHILD BORN IN THIS COUNTRY. THE OTHER WAS IN WARSAW, CAPITAL OF A NATION TWICE DEVASTATED BY WAR IN THIS CENTURY. THERE, PEOPLE HAVE REBUILT THE CITY WHICH WAR'S DESTRUCTION TOOK FROM THEM; BUT WHAT WAS NEW ONLY EMPHASIZED HOW MUCH HAD BEEN LOST. WHAT I SAW IN THOSE TWO PLACES CRYSTALLIZED THE PURPOSES OF OUR OWN COUNTRY'S POLICY: TO ENSURE ECONOMIC JUSTICE, TO ADVANCE HUMAN RIGHTS, TO RESOLVE CONFLICTS WITHOUT VIOLENCE, AND TO PROCLAIM OUR CONSTANT FAITH IN THE LIBERTY AND DIGNITY OF HUMAN BEINGS EVERYWHERE.

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WE AMERICANS HAVE A GREAT DEAL OF WORK TO DO TOGETHER.

IN THE END, HOW WELL WE DO . . .

IN THE END, HOW WELL WE DO THAT WORK WILL
DEPEND ON THE SPIRIT IN WHICH WE APPROACH IT.

WE MUST SEEK FRESH ANSWERS, UNHINDERED BY THE
STALE PRESCRIPTIONS OF THE PAST.

IT HAS BEEN SAID THAT OUR BEST YEARS ARE
BEHIND US, BUT I SAY AGAIN THAT AMERICA'S BEST IS
STILL AHEAD. WE HAVE EMERGED FROM BITTER EXPERIENCES
CHASTENED BUT PROUD, CONFIDENT ONCE AGAIN, READY
TO FACE CHALLENGES ONCE AGAIN, UNITED ONCE AGAIN.

* * *

WE COME TOGETHER TONIGHT AT A SOLEMN TIME.
LAST WEEK THE SENATE LOST A GOOD AND HONEST MAN,
LEE METCALF OF MONTANA.

!

TODAY THE FLAG OF THE UNITED STATES FLEW AT
HALF-MAST FROM THIS CAPITOL AND FROM AMERICAN
INSTALLATIONS AND SHIPS ALL OVER THE WORLD, IN MOURNING
FOR SENATOR HUBERT HUMPHREY.

BECAUSE HE EXEMPLIFIED SO WELL THE JOY AND
ZEST OF LIVING, HIS DEATH REMINDS US NOT SO MUCH OF
OUR OWN MORTALITY BUT OF THE POSSIBILITIES OFFERED TO
US BY LIFE. HE ALWAYS LOOKED TO THE FUTURE WITH A
SPECIAL AMERICAN KIND OF CONFIDENCE, OF HOPE AND
ENTHUSIASM. THE BEST WAY WE CAN HONOR HIM IS BY
FOLLOWING HIS EXAMPLE.

OUR TASK, IN THE WORDS OF SENATOR HUMPHREY, IS
"RECONCILIATION, REBUILDING, AND REBIRTH."

RECONCILIATION OF PRIVATE NEEDS . . .

RECONCILIATION OF PRIVATE NEEDS AND INTERESTS
INTO A HIGHER PURPOSE.

REBUILDING THE OLD DREAMS OF JUSTICE AND
LIBERTY, OF COUNTRY AND COMMUNITY.

REBIRTH OF OUR FAITH IN THE COMMON GOOD.

EACH OF US HERE TONIGHT -- AND ALL WHO ARE
LISTENING IN YOUR HOMES -- MUST REDEDICATE OURSELVES
TO SERVING THE COMMON GOOD. WE ARE A COMMUNITY, A
BELOVED COMMUNITY, ALL OF US; OUR FATES ARE LINKED;
OUR FUTURES INTERTWINED; AND IF WE ACT IN THAT KNOWLEDGE
AND WITH THAT SPIRIT TOGETHER WE CAN MOVE MOUNTAINS.

#

THE WHITE HOUSE
WASHINGTON

Mr. President --

Charleston, S.C. remarks
attached (transcript thereof)...

are there any sections
you'd like typed separately
(double-spaced) to be
used as inserts elsewhere?

--SSC

JULY 21, 1977

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Charleston, South Carolina)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
SOUTHERN LEGISLATIVE CONFERENCE

GAILLARD MUNICIPAL AUDITORIUM

3:08 P.M. EDT

Thank you very much.

Senator Hollings and Senator Eastland and Senator Stennis, Governor Edwards, Chairman Bragg, distinguished Members of Congress, those representatives from State government who share the leadership of America, my friends in a personal way who come out to welcome me back to the South:

It is not often that a President comes as a substitute speaker. I realize that my brother, Billy, was the first choice. (Laughter) (Applause) I understand that the Southern Legislative Conference couldn't afford Billy here. (Laughter)

I was going to go by Plains on this trip, but I couldn't get a room there. (Laughter) I am going to go to Yazoo City tonight and then to New Orleans later on.

I am very grateful to be here as President of our country. I have learned a lot in this first six months. When I got to Washington and sought advice, someone said, "Just act like you are a President and treat the Congress like the Georgia Legislature." It didn't work at first. (Laughter)

Very quickly I realized that the Congress was treating me like I was still Governor of Georgia, but now with the help of a great number of friends in the Congress we formed a kind of relationship that ought to exist between the White House and our Nation's capital. I think there is a genuine sense of sharing of responsibility and the burden of government, and you are a part of that circle of leaders in the State legislature and the Governors' offices who join with the President, the Congress and others in making sure that our Government works.

I have become even more proud of being an American. And I have become even more proud of being a Southerner, too. (Applause) I am proud, also, to be with you today where two great rivers come together, as they say in Charleston, to form the Atlantic Ocean. (Applause) This is one of our Nation's most gracious cities.

MORE

(OVER)

And I want to talk to you today about the hopes and problems that we as Southerners and as Americans share together. I feel a special kinship with your State legislators. For four years, I was a member of the Georgia Senate and I still prize State government not only for the talents of those who work in it, but as Fritz Hollings says, for the closeness to the people it represents.

Our Southern States have a proud tradition of local, independent government, and now you are the heirs of that tradition. But we in the South have also felt, perhaps more directly than many others, some of the rapid changes that have taken place in this modern age. More and more our own lives are shaped by events in other cities, decisions in other States, tensions in other parts of the world.

And as Americans we cannot overlook the way that our fate is bound to that of other nations. This interdependence stretches from the health of our economy through war and peace, to the security of our own energy supplies. It is a new world, in which we cannot afford to be narrow in our vision, limited in our foresight, or selfish in our purpose.

MORE

When I took office almost exactly six months ago, our Nation was faced with a series of problems around the world -- in Southern Africa, the Middle East, in our relationships with our NATO allies, and on such tough questions as nuclear proliferation, negotiations with our former adversaries, a Panama Canal Treaty, human rights, world poverty.

We have openly and publicly addressed these and other many difficult and controversial issues -- some of which had been either skirted or postponed in the past.

As I pointed out in a recent press conference, a period of debate, disagreement, probing was inevitable. Our goal has not been to reach easy or transient agreements, but to find solutions that are meaningful, balanced and lasting.

Now, a President has a responsibility to present to the people of this Nation reports and summations of complex and important matters. I feel more secure as President making decisions, if I know that either the most difficult, the most complex questions that face me have been understood and debated by you and understood and debated by the Congress.

In the past I think our Nation's leaders have been guilty of making decisions in secret and even when the decision turns out to be the right one, it makes the President, the Secretary of State speak with a weak voice, when they speak alone.

Today I want to discuss a vitally important aspect of our foreign relations, the one that may most directly shape the chances for peace for us and for our children. I would like to spell out my view of what we have done and where we are going in our relations with the Soviet Union, and to reaffirm the basic principles of our National policy.

I don't have any apology for talking about foreign affairs at a Southern legislative conference, because foreign affairs and those difficult decisions ought never to be made with a concept that we can abandon common sense and the sound judgment and the constructive influence of the American people.

For decades the central problems of our foreign policy revolved around antagonisms between two coalitions, one headed by the United States, and the other headed by the Soviet Union.

Our national security was often defined almost exclusively in terms of military competition with the Soviet Union.

This competition is still critical, because it does involve issues which could lead to war. But however important this relationship of military balance, it cannot be our sole preoccupation, to the exclusion of

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other world issues which also concern us both.

Even if we succeed in relaxing tensions with the USSR, we could still awake one day to find that nuclear weapons have been spread to dozens of other nations who may not be as responsible as are we. Or we could struggle to limit the conventional arsenals of our two nations to reduce the danger of war, only to undo our efforts by continuing without constraint to export armaments around the world.

As two industrial giants, we face long-term worldwide energy crises. Whatever our political differences, both of us are compelled to begin conserving world energy and developing alternatives to oil and gas.

Despite deep and continuing differences in world outlook, both of us should accept the new responsibilities imposed on us by the changing nature of international relations.

Europe and Japan rose from the rubble of war to become great economic powers. Communist parties and governments have become more widespread and more varied, and I might say more independent from one another. Newly independent nations emerged into what has now become known as the "Third World." Their role in world affairs is becoming increasingly significant.

Both the United States and the Soviet Union have learned that our countries and our people, in spite of great resources, are not all-powerful. We have learned that this world, no matter how technology has shrunk distances, is nevertheless too large and too varied to come under the sway of either one or two superpowers. And, what is perhaps more important of all, we have, for our part, learned, all of us, this fact, these facts in a spirit not of increasing resignation, but of increasing maturity.

I mention these changes with which you are familiar because I think that to understand today's Soviet-American relationship, we must place it in perspective, both historically and in terms of the overall global scene.

The whole history of Soviet-American relations teaches us that we will be misled if we base our long-range policies on the mood of the moment, whether that mood be euphoric or grim. All of us can remember times when relations seemed especially dangerous, and other times when they seemed especially bright.

We have crossed those peaks and valleys before. And we can see that, on balance, the trend in the last third of a century has been positive.

MORE

The profound differences in what our two governments believe about freedom and power and the inner lives of human beings, those differences are likely to remain. And so are other elements of competition between the United States and the Soviet Union. That competition is real and deeply rooted in the history and the values of our respective societies. But it is also true that our two countries share many important overlapping interests. Our job -- my job, your job -- is to explore those shared interests and use them to enlarge the areas of cooperation between us, on a basis of equality and mutual respect.

As we negotiate with the Soviet Union, we will be guided by a vision -- of a gentler, freer, and more bountiful world. But we will have no illusions about the nature of the world as it really is. The basis for complete mutual trust between us does not yet exist. Therefore, the agreements that we reach must be anchored on each side in enlightened self-interest, what is best for us, what is best for the Soviet Union. That is why we search for areas of agreement where our real interests and those of the Soviets coincide.

We want to see the Soviets further engaged in the growing pattern of international activities designed to deal with human problems -- not only because they can be of real help, but because we both should be seeking for a greater stake in the creation of a constructive and a peaceful world order.

When I took office, many Americans were growing disillusioned with detente. President Ford had even quit using the word, and by extension people were concerned with the whole course of our relations with the Soviet Union. Also, and perhaps more seriously, world respect for the essential rightness of American foreign policy had been shaken by the events of a decade -- Vietnam, Cambodia, CIA, Watergate. At the same time, we were beginning to regain our sense of confidence and our purpose and unity as a nation.

In this situation, I decided that it was time for honest discussions about international issues with the American people. I felt it was urgent to restore the moral bearings of American foreign policy. And I felt that it was important to put the U.S. and Soviet relationship, in particular, on a more reciprocal, realistic and ultimately more productive basis for both nations.

It is not a question of "hard" policy or of "soft" policy, but of a clear-eyed recognition of how most effectively to protect our own security and to create the kind of international order that I have just described. This is our goal.

We have looked at the problems in Soviet-American relations in a fresh way, and we have sought to deal with them boldly and constructively with proposals intended to produce concrete results. I would like to point out just a few of them.

MORE

In the talks on strategic arms limitations, the SALT talks, we advanced a comprehensive proposal for genuine reductions, limitations, and a freeze on new technology which would maintain balanced strategic strength.

We have urged a complete end to all nuclear tests, and these negotiations are now underway. Agreement here could be a milestone in U.S.-Soviet relations.

We are working together toward a ban on chemical and biological warfare and the elimination of inventories of these destructive materials. We have proposed to curb the sales and transfer of conventional weapons to other countries, and we have asked France, Britain and other countries to join with us in this effort.

We are attempting to halt the threatening proliferation of nuclear weapons among the nations of the world which don't yet have the ability to set off nuclear explosives.

We have undertaken serious negotiations on arms limitations in the Indian Ocean. We have encouraged the Soviets to sign, along with us, the Treaty of Tlatelolco, which would ban the introduction of nuclear weapons into the southern part of the Western Hemisphere.

We have begun regular consultations with the Soviet leaders as co-chairmen of the prospective Geneva Conference to promote peace in the Middle East.

We and our allies are negotiating together with the Soviet Union, and their allies in the Warsaw Pact nations, to reduce the level of military forces in Europe.

We have renewed the 1972 agreement for cooperation in science and technology, and a similar agreement for cooperation in outer space.

We are seeking ways to cooperate in improving world health and in relieving world hunger.

MORE

In the Strategic Arms Limitation Talks, confirming and then building on Vladivostok Accords, we need to make steady progress toward our long-term goals of genuine reductions and strict limitations, while maintaining the basic strategic balance.

We have outlined proposals incorporating significant new elements of arms control, deep reductions in the arsenals of both sides, freezing of deployments and technology, and restraining certain elements in the strategic posture of both sides that threaten to destabilize the balance which now exists.

The Vladivostok negotiations of 1974 left some issues unresolved and subject to honest differences of interpretation. Meanwhile, new developments in technology have created new concerns -- the cruise missile, the very large intercontinental ballistic missiles of the Soviets.

The Soviets are worried about our cruise missiles, and we are concerned about the security of our deterrent capability. Our cruise missiles are aimed at compensating for the growing threat to our deterrent represented by the buildup of strategic Soviet offensive weapons forces.

If these threats can be controlled, and I believe they can, then we are prepared to limit our own strategic programs.

But if an agreement cannot be reached, there should be no doubt that the United States can and will do what it must to protect our security and to insure the adequacy of our strategic posture.

(Applause)

Our new proposals go beyond those that have been made before. In many areas we are in fact addressing for the first time the tough, complex core of longstanding problems. We are trying for the first time to reach agreements that will not be overturned by the next technological breakthrough. We are trying, in a word, for genuine accommodation.

MORE

But none of these proposals that I have outlined to you involves the sacrifice of security. All of them are meant to increase the security of both sides. Our view is that a SALT agreement which just reflects the lowest common denominator that can be agreed upon easily will only create an illusion of progress and, eventually, a backlash against the entire arms control process. Our view is that genuine progress in SALT will not merely stabilize competition in weapons, but can also provide a basis for improvement in political relations as well.

When I say that these efforts are intended to relax tensions, I am not speaking only of military security. I mean as well the concern among our own individual citizens, Soviet and American, that comes from the knowledge which all of you have that the leaders of our two countries have the capacity to destroy human society through misunderstandings or mistakes. If we can relax this tension by reducing the nuclear threat, not only will we make the world a safer place but we will also free ourselves to concentrate on constructive action to give the world a better life.

We have made some progress toward our goals, but to be frank, we also hear some negative comments from the Soviet side about SALT and about our more general relations. If these comments are based on a misconception about our motives, then we will redouble our efforts to make our motives clear; but if the Soviets are merely making comments designed as propaganda to put pressure on us, let no one doubt that we will persevere. (Applause)

What matters ultimately is whether we can create a relationship of cooperation that will be rooted in the national interests of both sides. We shape our own policies to accommodate a constantly changing world, and we hope the Soviets will do the same. Together we can give this change a positive direction.

Increased trade between the United States and the Soviet Union would help us both. The American-Soviet Joint Commercial Commission has resumed its meetings after a long interlude. I hope that conditions can be created that will make possible steps toward expanded trade.

MORE

In southern Africa we have pressed for Soviet and Cuban restraint. Throughout the non-aligned world, our goal is not to encourage dissension or to redivide the world into opposing ideological camps, but to expand the realm of independence, economically self-reliant nations -- and to oppose attempts at new kinds of subjugation.

Part of the Soviet Union leaders' current attitude may be due to their apparent -- and incorrect -- belief that our concern for human rights is aimed specifically at them or is an attack on their vital interests.

There are no hidden meanings in our commitment to human rights.

(Applause)

We stand on what we have said on the subject of human rights. Our policy is exactly what it appears to be: The positive and sincere expression of our deepest beliefs as a people. It is addressed not to any particular people or area of the world, but to all countries equally, yes, including our own country.

And it is specifically not designed to heat up the arms race or bring back the Cold War.

On the contrary, I believe that an atmosphere of peaceful cooperation is far more conducive to an increased respect for human rights than an atmosphere of belligerence or hatred or warlike confrontation. The experience of our own country, this last century, has proved this over and over again.

We have no illusions that the process will be quick or that change will come easily. But we are confident that if we do not abandon the struggle, the cause of personal freedom and human dignity will be enhanced in all nations of the world. We are going to do that.

(Applause)

In the past six months we have made clear our determination -- both to give voice to Americans' fundamental beliefs, and to obtain lasting solutions to East-West differences. If this chance to emphasize peace and cooperation instead of animosity and division is allowed to pass, it will not have been our choice.

MORE

We must always combine realism with principle. Our actions must be faithful to the essential values to which our own society is dedicated, because our faith in those values is the source of our confidence that this relationship will evolve in a more constructive direction.

I cannot forecast whether all of our efforts will succeed. But there are things which give me hope, and in conclusion I would like to mention them very briefly.

This place where I now stand is one of the oldest cities in the United States. It is a beautiful town -- (Applause) -- of whose culture and urban charm all Americans are proud -- just as the peoples of the Soviet Union are justly proud of such ancient cities as Tbilisi or Novgorod which they lovingly preserve, as you in Charleston, and into which they infuse a new life that makes these cities far more than just dead remnants of a glorious historical past.

Although there are deep differences in our values and ideas, we Americans and Russians belong to the same civilization whose origins stretch back hundreds of years.

Beyond all the disagreements between us -- and beyond the cool calculations of mutual self-interest that our two countries bring to the negotiating table -- is the invisible human reality that must bring us closer together. I mean the yearning for peace, real peace, that is in the very bones of us all.

I am absolutely certain that the people of the Soviet Union who have suffered so grievously in war feel this yearning for peace. And in this they are at one with the people of the United States. It is up to all of us to help make that unspoken passion into something more than just a dream -- and that responsibility falls most heavily on those, like you, of course, but particularly like President Brezhnev and me, who hold in our hands the terrible power conferred on us by the modern engines of war.

Mr. Brezhnev said something very interesting recently, and I quote from his speech: "It is our belief, our firm belief," he said, "that realism in politics and the will for detente and progress will ultimately triumph and mankind will be able to step into the 21st century in conditions of peace stable as never before."

I see no hidden meaning in that. I credit its sincerity. And I express the same hope and belief that Mr. Brezhnev expressed. With all the difficulties, all the conflicts, I believe that our planet must finally obey the Biblical injunction to "follow after the things which make for peace."

Thank you very much.

END (AT 3:38 P.M. EDT)

TO THE CONGRESS OF THE UNITED STATES:

Mr. President, Mr. Speaker, Members of the 95th Congress, ladies and gentlemen:

One year ago tomorrow, I walked from here to the White House to take up the duties of President of the United States. I return tonight to fulfill one of those duties: to "give to the Congress" -- and the nation -- "information on the state of the Union."

Militarily, politically, economically, and in spirit, the state of our Union is sound.

* * *

We are a great country, a strong country, a vital and dynamic country -- and so we will remain.

We are a confident people, a hard-working people, a decent and compassionate people -- and so we will remain.

I want to speak to you tonight about where we are, and where we must go -- what we have done, and what we must do -- and I want to pledge my best efforts, and to ask you to pledge yours.

Each generation of Americans has to face circumstances not of its own choosing, by which its character is measured and its spirit is tested.

There are times of emergency, when a nation and its leaders must bring their energies to bear on a single urgent task.

That was the duty Abraham Lincoln faced when our land was torn apart by conflict. That was the duty faced twice by Franklin Roosevelt: when he led America out of economic depression, and again when he led America to victory in war.

There are other times when there is no single overwhelming crisis -- yet profound national interests are at stake.

At such times the risk of inaction can be equally great. It becomes the task of leaders to call forth the vast and restless energies of our people to build for the future.

That is what Harry Truman did in the years after the Second World War, when we helped Europe and Japan rebuild themselves and secured an international order that has protected freedom from aggression.

We live in such times now -- and face such duties.

We have come through a long period of turmoil and doubt, but we have once again found our moral course and with a new spirit we are striving to express our best instincts to the rest of the world.

There is all across our land a growing sense of peace and common purpose. This sense of unity cannot be expressed in programs, legislation, or dollars. It is an achievement that belongs to every individual American. This unity towers over all our efforts here in Washington, and serves as an inspiring beacon for all of us elected to serve.

This new atmosphere demands a new spirit -- a partnership between those who lead and those who elect. The foundation of this partnership is truth, the courage to face hard decisions, concern for one another and the common good over special interest, and a basic faith and trust in the wisdom and strength of the American people.

For the first time in a generation, we are not haunted by a major international crisis or by domestic turmoil, and we now have a rare and priceless opportunity to address the persistent problems which burden us as a nation and which became quietly and steadily worse over the years.

* * *

As President I have had to ask you -- the members of Congress, and the American people -- to come to grips with some of the hardest questions facing our society.

We must make a maximum effort -- because if we do not aim for the best, we are likely to achieve very little.

I see no benefit to the country if we delay, because the problems will only grow worse.

We need patience and good will, and we need to realize that there is a limit to the role and function of government. Government cannot solve all our problems, set all our goals, or define our vision. Government cannot eliminate poverty, provide a bountiful economy, reduce inflation, save our cities, cure illiteracy, provide energy, nor mandate goodness. Only a true partnership between government and the people can hope to reach these goals.

Those who govern can sometimes inspire, and we can identify needs and marshal resources, but we cannot be the managers of everything and everybody.

We must move away from crisis management and establish clear goals for the future which will let us work together and not in conflict. Never again should we neglect a growing crisis like the shortage of energy, where further delay will only lead to more harsh and painful solutions.

Every day we spend more than \$120 million for foreign oil. This slows our economic growth, lowers the value of the dollar overseas, and aggravates unemployment and inflation at home.

We know we have to act. We know what we must do: increase energy production, cut down on waste, and use more of those fuels which are plentiful and more permanent. We must be fair to people, and not disrupt our nation's economy and the budget.

It sounds simple, but I recognize the difficulties involved. I know it is not easy for the Congress to act. But the fact remains that on energy legislation we have failed the American people. Almost five years after the oil embargo dramatized the problem, we still do not have a national energy program. Not much longer can we tolerate this stalemate. It undermines our national interest both at home and abroad. We must succeed, and I believe we will!

* * *

Our main task at home this year, with energy a central element, is the nation's economy. We must continue the recovery and further cut unemployment and inflation.

* * *

Last year was a good one for the United States. We reached our major economic goals for 1977. Four million new jobs were created -- an all time record -- and the number of unemployed dropped by more than a million. Unemployment is at its lowest level since 1974, and not since World War II has such a high percentage of our people been employed.

The rate of inflation went down. There was good growth in business profits and investments -- the source of more jobs for our workers -- and a higher standard of living for all our people. After taxes and inflation, there was a healthy increase in workers' wages.

This year, our country will have the first two trillion dollar economy in the history of the world.

We are proud of the progress this first year, but we must do even better.

We still have serious problems on which all of us must work together. Our trade deficit is too large, inflation is still too high, and too many Americans still do not have a job.

I have no simple answers for these problems. But we have developed an economic policy that is working, because it is sensible, balanced, and fair. It is based on four principles:

- First, the economy must keep on expanding to produce the new jobs and income our people need. The fruits of growth must be widely shared. More jobs must be made available for those who have been by-passed until now, and the tax system must be made fairer and simpler.
- Second, private business, not the government must lead the expansion.
- Third, we must lower the rate of inflation and keep it down. Inflation slows down economic growth, and it is most cruel to the poor and to the elderly and others who live on fixed incomes.
- Fourth, we must contribute to the strength of the world economy.

* * *

I will announce proposals for improving our tax system later this week. We can make our tax laws fairer; we can make them simpler and easier to understand; and at the same time we can -- and we will -- reduce the tax burden on American citizens by \$25 billion!

The tax reforms and tax reductions go together. Only with the long overdue reforms will the full tax cut be advisable.

Almost \$17 billion in income tax cuts will go to individuals. Ninety-six percent of American taxpayers will see their taxes go down. For a typical family of four this will mean an annual saving of more than \$250 -- a tax reduction of about 20 percent. A further cut of \$2 billion in excise taxes will give more relief and directly reduce the rate of inflation.

We will also provide strong additional incentives for business investment through substantial cuts in corporate tax rates and improvements in the investment tax credit.

* * *

Our tax proposals will increase opportunity everywhere in this nation, but additional jobs for the disadvantaged deserve special attention.

We have already passed laws to assure equal access to the voting booth, to schools, to housing, and to jobs. But job opportunity -- the chance to earn a decent living -- is also a basic human right which we cannot and will not ignore.

A major priority for our nation is the final elimination of barriers that restrict the opportunities available to women, and to Black people, Hispanics, and other minorities. We have come a long way toward that goal, but there is still much to do. What we inherited from the past must not be permitted to shackle us in the future.

I am asking for a substantial increase in funds for public jobs for our young people and I am also recommending that the Congress continue the public service employment programs at more than twice the level of a year ago. When welfare reform is completed, we will have more than a million additional jobs so that those on welfare who are able to work -- can work.

However, we know that in our free economy, private business is still the best source of new jobs. Therefore, I also propose a new program to encourage businesses to hire young and disadvantaged Americans. These young people only need skills -- and a chance -- in order to take their place in our economic system. Let's give them the chance they need! A major step forward will be early passage of the greatly improved Humphrey-Hawkins Bill.

* * *

My budget for 1979 addresses our national needs, but it is lean and tight. I have cut waste wherever possible.

I am proposing an increase of less than two percent after adjusting for inflation -- the smallest increase in the Federal budget in four years.

Lately, Federal spending has taken a steadily increasing portion of what Americans produce. Our new budget reverses that trend, and later I hope to bring the government's toll down even further.

In time of high employment and a strong economy, deficit spending should not be a feature of our budget. As the economy continues to gain strength and our unemployment rates continue to fall, revenues will grow. With careful planning, efficient management, and proper restraint on spending, we can move rapidly toward a balanced budget -- and we will.

Next year the budget deficit will be only slightly less than this fiscal year -- but one-third of the deficit is due to the necessary tax cuts I have proposed.

This year the right choice is to reduce the burden on the taxpayers and provide more jobs for our people.

* * *

The third element in our program is a renewed attack on inflation. We have learned the hard way that high unemployment will not prevent or cure inflation.

Government can help by stimulating private investment and by maintaining a responsible economic policy. Through a new top level review process, we will do a better job of reducing government regulation that drives up costs and prices.

But, again, government alone cannot bring down the rate of inflation. When a level of high inflation is expected to continue companies raise prices to protect their profit

margins against prospective increases in wages and other costs, while workers demand higher wages as protection against expected price increases. It's like escalation in the arms race and, understandably, no one wants to disarm alone.

No one firm or group of workers can halt this process. It is an effort we must all make together. I am therefore asking government, business, labor, and other groups to join in a voluntary program to moderate inflation by holding wage and price increases in each sector of the economy during 1978 below the average increases of the last two years.

I do not believe in wage and price controls. A sincere commitment to voluntary constraint provides a way -- perhaps the only way -- to fight inflation without government interference.

* * *

Economic success at home is also the key to success in our international economic policy. An effective energy program, strong investment and productivity, and controlled inflation will improve our trade balance and help to protect the integrity of the dollar overseas.

By working closely with our friends abroad we can promote the economic health of the world with fair and balanced agreements lowering barriers to trade.

Despite the inevitable pressures which develop when the world economy suffers from high unemployment, we must firmly resist the demands for self-defeating protectionism. But free trade must also be fair trade. I am determined to protect American industry and workers against unfair or illegal foreign trade practices.

* * *

In a separate written message to Congress I have outlined other domestic initiatives, such as welfare reform, consumer protection, basic education skills, urban policy, reform

of our labor laws, and national health care. I will not repeat those here tonight, but there are several points I would like to make directly to you.

* * *

During these past years Americans have seen our government grow far from us.

For some citizens it has become almost like a foreign country, so strange and distant that often we have to deal with it through trained ambassadors who have sometimes become too powerful and influential -- lawyers, accountants, and lobbyists.

This cannot go on.

We must have what Abraham Lincoln sought -- a government for the people.

We have made progress toward that kind of government. You have given me the authority I requested to reorganize the Federal bureaucracy, and I am using it.

We have already begun a series of reorganization plans which will be completed over a period of three years.

We have also proposed abolishing almost 500 Federal advisory commissions and boards.

But I know that our people are still sick and tired of Federal paperwork and red tape. Bit by bit we are chopping down the thicket of unnecessary Federal regulations by which government too often interferes in our personal lives and business. We have cut the public's Federal paperwork load by 12 percent in less than a year. And we are not through cutting.

We have made a good start on turning the gobbledygook of Federal regulations into plain English that people can understand, but we still have a long way to go.

We have brought together parts of eleven government agencies to create the new Department of Energy -- and now it is time to take another major step by creating a separate Department of Education.

But even the best-organized government will only be as effective as the people who carry out its policies.

For this reason, I consider Civil Service reform to be absolutely vital. Worked out with the civil servants themselves, this reorganization plan will restore the merit principle to a system which has grown into a bureaucratic maze. It will provide greater management flexibility and better rewards for better performance without compromising job security.

Then and only then can we have a government that is efficient, open, and truly worthy of our people's understanding and respect.

I have promised we will have such a government.

I intend to keep that promise.

* * *

In our foreign policy, the separation of our people from government has been a source of weakness and error. In a democratic system like ours, foreign policy decisions must be able to stand the test of public examination and debate. If we make a mistake in this Administration, it will be on the side of frankness and openness with the American people.

In our modern world, when the deaths of millions can result from a few terrifying seconds of destruction, the path to national strength and security is identical with the path to peace.

Tonight I am happy to report that because we are strong our nation is at peace with the world.

We are a confident nation. We have restored a moral basis for our foreign policy. The very heart of our identity as a nation is our firm commitment to human rights.

We stand for human rights because we believe that the purpose of government is to promote the well-being of its citizens. This is true in our domestic and in our foreign policy. The world must know that in support of human rights the United States will stand firm.

We expect no quick or easy results, but there has been significant movement toward greater freedom and humanity in several parts of the world.

Thousands of political prisoners have been freed. The leaders of the world -- even our ideological adversaries -- now see that their attitude toward fundamental human rights affects their standing in the international community and their relations with the United States.

* * *

To serve the interests of every American, our foreign policy has three major goals.

Our first and prime concern is and will remain the security of our country.

Security is based on our national will and on the strength of our armed forces. We have the will, and militarily we are very strong.

Security also comes through the strength of our alliances. We have reaffirmed our commitment to the defense of Europe, and this year we will demonstrate that commitment by further modernizing and strengthening our military capabilities there.

Security can also be enhanced by agreements with potential adversaries which reduce the threat of nuclear disaster while maintaining our own relative strategic capability.

In areas of peaceful competition with the Soviet Union we will continue to more than hold our own.

At the same time we are negotiating with quiet confidence, without haste, with careful determination, to ease the tensions between us and to ensure greater stability and security.

The Strategic Arms Limitation Talks have been difficult and prolonged. We want a mutual limit on both the quality and quantity of the giant nuclear arsenals of both nations -- and then actual reductions in strategic arms as a major step toward ultimate elimination of nuclear weapons from the face of the earth.

If the talks result in an agreement this year -- and I trust they will -- I pledge to you that the agreement will maintain and enhance the stability of the world's strategic balance and the security of the United States.

* * *

For 30 years, concerted but unsuccessful efforts have been made to ban the testing of atomic explosives -- both military weapons and peaceful nuclear devices.

We are hard at work with Great Britain and the Soviet Union on an agreement which will stop testing, and will protect our national security and provide for adequate verification of compliance.

We are now making progress toward this comprehensive ban on nuclear explosions.

* * *

We are also working vigorously to halt the proliferation of nuclear weapons among the nations of the world, and to reduce the deadly global traffic in conventional arms sales. Our stand for peace is suspect if we are also the principal arms merchant of the world. So we have decided to cut down our arms transfers abroad, on a year-by-year basis, and to work with other major arms exporters to encourage their similar restraint.

* * *

Every American has a stake in our second major goal -- a world at peace. In a nuclear age, each of us is threatened when peace is not secured.

We are trying to promote harmony in those parts of the world where major differences among other nations threaten international peace.

In the Middle East we are contributing our good offices to maintain the momentum of the current negotiations -- and to keep open the lines of communication among the Middle East leaders. The whole world has a great stake in the success of these efforts. This is a precious opportunity for the historic settlement of a long-standing conflict -- an opportunity which may not come again in our lifetime.

Our role has been difficult, and sometimes thankless and controversial, but it has been constructive and necessary -- and it will continue.

* * *

Our third major foreign policy goal is one that touches the life of every American citizen, every day: world economic growth and stability.

This requires strong economic performance by the industrialized democracies and progress in resolving the global energy crisis. Last fall, with the help of others, we succeeded in our vigorous efforts to maintain stability in the price of oil. But as many foreign leaders have emphasized, the greatest future contribution America can make to the world economy would be an effective energy conservation program here at home. We will not hesitate to take the actions needed to protect the integrity of the dollar.

We are trying to develop a more just international system. In this spirit, we are supporting the struggle for human development in Asia, Africa, and Latin America.

* * *

Finally, the world is watching to see how we act on one of our most important items of business: approval of the Panama Canal Treaties. The treaties now before the Senate are the result of the work of four Administrations -- two Democratic and two Republican. They guarantee that the canal will be open always for unrestricted use by the ships of the world. Our ships have the right to go to the head of the line for priority of passage in times of need or emergency. We retain the right to defend the canal with our own military forces if necessary to guarantee its openness and neutrality. The treaties are to the clear advantage of ourselves, the Panamanians, and the other users of the canal. Ratifying the Panama Canal Treaties will demonstrate our good faith to the world, discourage the spread of hostile ideologies in this hemisphere, and directly contribute to the economic well-being and security of the United States.

There were two moments on my recent journey which, for me, confirmed what the final aims of our foreign policy must always be. One was in a village in India, where I met people as passionately attached to their rights and liberties as we are -- but whose children have a far smaller chance for good health, education, and human fulfillment than a child born in this country. The other was in Warsaw, capital of a nation twice devastated by war in this century. There, people have rebuilt the city which war's destruction took from them; but what was new only emphasized how much had been lost. What I saw in those two places crystallized the purposes of our own country's policy: to ensure economic justice, to advance human rights, to resolve conflicts without violence, and to proclaim our constant faith in the liberty and dignity of human beings everywhere.

* * *

We Americans have a great deal of work to do together.

In the end, how well we do that work will depend on the spirit in which we approach it.

We must seek fresh answers, unhindered by the stale prescriptions of the past.

It has been said that our best years are behind us, but I say again that America's best is still ahead. We have emerged from bitter experiences chastened but proud, confident once again, ready to face challenges once again, united once again.

* * *

We come together tonight at a solemn time. Last week the Senate lost a good and honest man, Lee Metcalf of Montana.

Today the flag of the United States flew at half-mast from this Capital and from American installations and ships all over the world, in mourning for Senator Hubert Humphrey.

Because he exemplified so well the joy and zest of living, his death reminds us not so much of our own mortality but of the possibilities offered to us by life. He always looked to the future with a special American kind of confidence, of hope and enthusiasm. The best way we can honor him is by following his example.

Our task, in the words of Senator Humphrey, is "reconciliation, rebuilding, and rebirth."

Reconciliation of private needs and interests into a higher purpose.

Rebuilding the old dreams of justice and liberty, of country and community.

Rebirth of our faith in the common good.

Each of us here tonight -- and all who are listening in your homes -- must rededicate ourselves to serving the common good. We are a community, a beloved community, all of us; our fates are linked; our futures intertwined; and if we act in that knowledge and with that spirit together we can move mountains.

THE WHITE HOUSE,

1/18/78-30

The cause of human rights will never die!

*Discussion of security & means... then SALT... nuclear
explosives... middle East... economic growth*

But the moral basis of our foreign policy is
suspect when we are the principal arms merchant of
the world.

*move to
follow
comments
on SALT*

We have decided to cut down our arms transfers
abroad, on a year-by-year basis, and to work with
other major arms exporters to reduce this deadly
traffic.

*Our third major foreign policy goal is one that touches the
lives of every one of our citizens, every day: ~~the world~~
allies to promote security and to enhance world*

*economic growth and stability. This requires strong economic
performance by the industrialized democracies and progress
in resolving the global energy crisis.*

↪ Last fall with the help of others we succeeded
in our vigorous efforts to maintain stability in the

1/18/78-31

price of oil.

~~relationships with Japan.~~

We have reaffirmed our

commitment to the security of Europe, and this year

we will demonstrate that commitment by modernizing

and strengthening our defense capabilities there.]

In the long run, a strong international economy must reflect
~~We are trying to develop a more~~ just international

system. In this spirit, we have aligned ourselves

with the struggle for human development in Asia,

Africa, and Latin America.

We are changing the emphasis of our assistance programs so that as much of our aid as possible goes toward meeting the simple human needs of the world's poor for food, for shelter, for basic education, and for health care.

But as many foreign leaders who share our concerns have emphasized, the greatest future contribution American can make would be an effective energy conservation program. Americans will benefit, as well, from progress at the multilateral trade negotiations. We will continue to protect American industries and American workers from unfair foreign competition. We must also seek new markets by helping reduce the restrictions on world trade. A return to protectionism would threaten the livelihoods of millions of Americans.

*Security is based on the strength
of our armed forces. And we are strong
Security also comes through the strong ties of our
alliances*

*More to
"Security"
Scheme*

1/18/78-32

We are working hard to promote peaceful reconciliation in those parts of the world where major differences threaten international peace.

to follow nuclear explosion

In the Middle East, President Sadat has taken a bold initiative in going to Jerusalem -- and Prime Minister Begin is moving to take advantage of this historic opportunity for a comprehensive peace. We are contributing our good offices to maintain the momentum of the current negotiations -- and to keep open the lines of communications among the Middle East leaders. The whole world has a great stake in the success of these efforts. This is a precious opportunity for the historic settlement of longstanding conflicting ideas -- an opportunity which may not come again in our lifetime.

Every American also has a stake in our second major goal -- a world at peace. In a nuclear age, each of us is threatened when peace is not secured.

1/18/78-33
The world is watching to see how we act on one of our first items of business: approval of the Panama Canal Treaties.

The ~~Panama Canal~~ treaties now before the Senate are the culmination of the work of six Administrations -- three Democratic and three Republican. They ~~treaties~~ provide that the canal will be open always for unrestricted use by the ships of the world. Our own ships have the right to priority of passage in times of need or emergency, and we have the right to defend the canal with our military forces if necessary to guarantee its openness and neutrality. The treaties are to the clear advantage of ourselves, the Panamanians, and the other users of the canal. The Senate's ratification of the Panama Canal treaties will show our good faith to the world.

Much to
be
in
satisfaction

We will continue our peaceful competition with the Soviet Union, and we will hold our own.

more
of
SALT

We can make progress on all these issues, if America plays the constructive role its international leadership requires. I am confident that the Congress will work with the Administration in responding to this challenge.

At the same time, we are negotiating, with quiet confidence, without haste, with careful determination, to ease the tensions between us and to ensure greater stability and security.

The Strategic Arms Limitation Talks have been difficult and prolonged. We want a mutual limit on both the quality and quantity of the giant nuclear arsenals of both nations -- and then actual reductions in strategic arms capability as a major step toward ultimate elimination of nuclear weapons from the face of the earth.

If the talks result in an agreement this year -- and I trust they will -- I pledge to you that the agreement will maintain and enhance the security of the United States, and the stability of the world's strategic balance.

*We are also making progress
toward a comprehensive ban on
nuclear explosions.*

1/18/78-35

For 30 years, concerted efforts have been made to ban the testing of atomic explosives -- both military weapons and peaceful nuclear devices -- and for 30 years that objective has eluded us.

But now we are hard at work with Great Britain and the Soviet Union to reach an agreement which will stop all testing, will protect our national security, and will provide for adequate verification of compliance.

And we are working vigorously to halt proliferation of nuclear weapons among other nations of the world.

*

*

*

There were two moments on my recent journey which, for me, confirmed what the final aims of our foreign policy must always be. One was in a village

in India, where I met people as passionately attached to their rights and liberties as we are -- but whose children have a far smaller chance for health, education, and human fulfillment than a child born in this country.

The other was in Warsaw, capital of a nation twice devastated by war in this century. There, people have rebuilt the city which war's destruction took from them; but what was new only emphasized how much had been lost. What I saw in those two places crystallized the purposes of our own country's policy: to ensure economic justice, to advance human rights, to solve conflicts without violence, and to proclaim our constant faith in the liberty and dignity of human beings everywhere.

We Americans have a great deal of work to do together.

In the end, how well we do that work will depend on the spirit in which we approach it.

We must seek fresh answers, unhindered by the stale and backward-looking prescriptions that are offered in the name of "liberalism" or "conservatism."

We must temper the demands of special interests with an understanding of what is right for society as a whole.

We must bring forth the goodness and concern and commitment that are within us and make them the basis of our common life.

That will take nothing less than the new spirit I have asked for tonight. Without it we put the very soul of our Nation at risk.

It has been said that our best years are behind us, but I say again that our Nation's best is still ahead. As we emerge from our bitter experiences with Viet Nam and Watergate we are chastened but proud, confident once again, ready to face challenges once again, united once again.

Our task, in the words of Hubert Humphrey, is "reconciliation, rebuilding, and rebirth."

Reconciliation of private needs and interests into a higher purpose.

Rebuilding the old dreams of justice and liberty, of country and community.

Rebirth of our faith in the common good.

Each of us here tonight -- and all who are
listening in their homes -- need to rededicate
ourselves to serving the common good. We are a
community, a beloved community, the greatest and
the least of us; our fates are linked; our futures
intertwined; and if we act in that knowledge and
with a new spirit we can move mountains.

#

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#

THE WHITE HOUSE

WASHINGTON

January 18, 1978

To: Rosalynn Carter
Charlie Schultze
Jody Powell
Jim Fallows
Stu Eizenstat
Zbig Brzezinski
Ham Jordan

President Carter asked that you review attached speech draft, returning your comments to him by 3:00 p.m. this afternoon. He also asked that no copies be made of the draft.

Thanks -- Susan Clough

necessary to
understanding without which ~~it cannot be effective in~~

bringing us world stability and peace.

p4
I am grateful to be able to report to you tonight that
our nation is, indeed, at peace with the world.

Shakespeare
We have restored a moral grounding to our foreign
policy: that commitment to the defense of human rights
which is at the heart of our very identity as a nation.

several
We expect no quick or easy results. *Nor do we claim credit for the actions of*
other
several
perhaps a score of countries, there has been movement toward
greater freedom and humanity.

Thousands of political prisoners have been freed --
ten thousand in Indonesia alone. The governments of the
world -- even our ideological adversaries -- have come to
see that observance of fundamental human rights now affects
their standing in the international community and their
relations with the United States.

↑
do not
underline

The Congress has stood strongly by us in the fight for human rights. The American people, tired of cynicism in our foreign affairs, have stood strongly by us.

We will continue to stand together to prove
~~I will continue to be worthy of that support. You~~
to the world that human rights is America's business.
~~have my promise.~~

as it is the business of nations everywhere,
~~~~~~~~~  
~~(Patched)~~



We stand for human  
rights because we believe that  
the purpose of government is to  
promote the ~~well~~ well being of individuals.  
This is true in our ~~our~~ foreign as well as our domestic  
policies. ~~\_\_\_\_\_~~

~~\_\_\_\_\_~~

To serve the interests  
of every American, our  
foreign policy has three goals.

~~First~~

~~Our first goal~~

Our first concern, ~~like~~ like  
that of previous administrations,  
and will remain  
is the security of every  
American.

Security <sup>is based on</sup> comes ~~through~~  
the strength of our armed forces.



And ~~our~~<sup>we</sup> ~~forces~~ are strong.

This year, we will continue  
to modernize both our  
conventional and our strategic  
forces, and I am requesting <sup>in my new budget</sup> those  
funds necessary to do so ~~in~~ in the next fiscal year.  
Security also comes

through the strength of our  
alliances. We have,

reaffirmed our commitment to the security of Europe, and  
this year we will demonstrate that commitment by modernizing  
and strengthening our defense capabilities there.

And our security  
is enhanced by arms control  
measures that reduce the  
chances of nuclear disaster  
while maintaining our relative  
strength.



The Strategic Arms Limitation Talks have been difficult and prolonged. We are negotiating from a position of strength, without haste and with careful determination. We want a mutual limit on both qualitative and quantitative improvements in the giant nuclear arsenals of both nations -- and then actual reductions in strategic arms capability as a major step toward ultimate elimination of nuclear weapons from the face of the earth.

If the talks result in an agreement this year -- and I believe they will -- I make a pledge to you.

My pledge is that the agreement will <sup>strengthen</sup> ~~maintain~~ the security of the United States -- and will enhance the stability of the world's strategic balance.

\* \* \*  
We are also making progress toward a comprehensive ban on nuclear explosions.

For 30 years, concerted efforts have been made to ban the testing of atomic explosives -- both military weapons and peaceful nuclear devices. And for 30 years that objective has eluded us.

But now we are hard at work with Great Britain and the Soviet Union to reach an agreement which will protect our national security and provide for adequate verifications of



*We therefore seek*

-26-

~~Our third goal is to promote peaceful reconciliation~~  
*there that live under the specter of*  
in ~~these~~ parts of the world ~~where major conflicts could~~ *major conflicts.*

~~threaten international peace.~~

In the Middle East, President Sadat has taken a bold initiative in going to Jerusalem -- and Prime Minister Begin is moving to take advantage of this historic opportunity for a comprehensive peace. We are contributing our good offices to maintain the momentum of the current negotiations -- and to keep the lines of communications among the Middle East leaders open and uninterrupted. The whole world has a great stake in the success of these efforts. This is a precious opportunity for the courageous *settlement* ~~accommodation~~ of long-standing ~~conflicting ideas~~.

In Southern Africa, we have also worked to develop plans which offer the interested parties a fair opportunity for accommodation. For the peoples of the area, we seek a genuine chance for governments based on free elections and majority rule.



Our third ~~to~~ foreign  
policy goal is one that  
touches the life of every one  
of our citizens, every day:  
global economic ~~recovery~~ <sup>growth and</sup> ~~and~~  
stability.  
~~a strong international economy~~

¶ This ~~means~~ ~~to~~ requires  
~~strong economic recovery~~ ~~strong~~ economic performance  
by the industrialized democracies.)

-25-

Last May I met <sup>with</sup> the leaders of <sup>our European allies</sup> ~~the other major industrial~~  
~~democracies~~ to help chart <sup>our</sup> economic recovery, and this year I  
<sup>plan to</sup> will go again to Europe for an economic summit meeting.  
~~Last~~ ~~with the help of others~~  
~~During the fall~~ we succeeded in our vigorous efforts  
to maintain stability in the price of oil. ~~We~~ <sup>also</sup> have begun  
to improve our trading relationships with Japan.

¶ ~~This~~ goal also requires  
progress in resolving the global energy  
crisis. <sup>who share our concerns</sup> ~~many~~ foreign leaders have



Last May I met <sup>with</sup> the leaders of the other major industrial democracies to help <sup>our</sup> chart economic recovery, and this year I <sup>plan to</sup> will go again to Europe for an economic summit meeting.

<sup>Last</sup> <sup>with the help of others,</sup>  
During the fall we succeeded in our vigorous efforts

to maintain stability in the price of oil. We have begun

to improve our trading relationships with Japan. <sup>Last year, we</sup> ~~We have~~

reaffirmed our commitment to the security of Europe, and

this year we will demonstrate that commitment by modernizing

and strengthening our defense capabilities there.

<sup>last?</sup> Our second goal is to develop a more just international system. In this spirit, we have aligned ourselves with the struggle for human development in Asia, Africa, and Latin America.

And <sup>we</sup> are changing the emphasis of our assistance programs so that as much of our aid as possible goes toward meeting the simple human needs of the world's poor for enough to eat, for shelter, for basic education, and for health care.



emphasized, the greatest future  
contribution America can make  
would be an effective energy  
conservation program. ~~and~~

~~the most important~~ ~~and~~ ~~the~~

~~the~~

~~the~~

Americans will benefit, as

well, from progress ~~of~~ at the  
multilateral trade negotiations.

We will continue to protect  
American industries and American  
workers from unfair foreign  
competition. ~~We~~ We must also

seek new markets ~~through~~ by  
helping reduce the restrictions on  
world trade. ~~At the same time~~ A ~~new~~

return to protectionism would



threaten the ~~the~~ livelihoods  
of millions of Americans. ~~the~~

~~the~~  
One ~~of~~ out of every eight of  
our manufacturing jobs, one  
out of every three ~~are~~ acres  
of American farmland, and  
almost one third of U.S. corporate  
profits now depend on exports.

In the long run, a  
strong international economy must  
reflect ~~the~~ a just international system.)

In this spirit, we have aligned ourselves with the  
struggle for human development in Asia, Africa, and Latin  
America.

And we are changing the emphasis of our assistance  
programs so that as much of our aid as possible goes toward  
meeting the simple human needs of the world's poor for enough  
to eat, for shelter, for basic education, and for health care.



We can make progress  
on all these ~~issues~~ issues,  
if America plays the  
constructive role <sup>international</sup> its leadership  
requires. I am confident  
that the Congress will work  
with the Administration in  
responding to this challenge.

~~On the other hand~~  
The world is watching  
to see how we ~~respond~~ act  
on ~~the first~~ one of our first  
items of business: approval of  
the Panama Canal treaties.

These ~~the~~ treaties



en

~~Regional reconciliation is our goal in Panama as well.~~

~~The treaties now before the Senate~~ are the culmination of the

work of six Administrations, three Democratic and three

Republican. ¶ The treaties provide that the Panama Canal, a

tremendous achievement of American engineering, will be open

always for unrestricted use by the ships of the world. Our

own ships have the right to expeditious passage in times of

need or emergency. ¶ *be in no doubt that* And we have the right to defend the canal

if necessary to guarantee its openness and neutrality. The

treaties are to the clear advantage of ourselves, the Panamanians,

and the other <sup>users of the</sup> canal users. ¶ *mmmm* I urge the Senate to ratify the

Panama Canal Treaties without delay.

~~A fourth goal is to secure peace by making our strategic~~

~~posture more stable~~



( PAUSE )

There were two moments on my recent journey which, for me, confirmed what the final aims of our foreign policy must always be. One was in a village in India, where I met people as passionately attached to their rights and liberties as we are -- but whose children have a far smaller chance for health, education, and human fulfillment than a child born in this country. The other was in Warsaw, capital of a nation twice devastated by war in this century. There, ~~a~~ brave people <sup>have</sup> ~~has~~ rebuilt the city, <sup>which</sup> war's destruction took from them; but what was new only emphasized how much had been lost. What I saw in those two places crystallized the purposes of our own country's policy: to ensure economic justice, to advance human rights, to solve conflicts without violence, and to proclaim our constant faith in the liberty and dignity of mankind.

\* \* \* \* \*



compliance.

~~and~~ <sup>I</sup> ~~We~~ <sup>also</sup> ~~are~~ <sup>the</sup> working vigorously to halt proliferation of nuclear weapons and ~~the~~

reduce the deadly global traffic in conventional arms sales. <sup>Our</sup> ~~the~~ <sup>ofend</sup> ~~cannot be enforced~~ for peace is

~~But the basis of our foreign policy is undermined~~ <sup>suspect</sup> ~~when we are at the same time~~ <sup>we are also</sup> the principal arms merchant ~~is of~~ the world.

And ~~So~~ we have decided to cut down our arms transfers abroad, on a year-by-year basis, and to work with other major arms exporters to <sup>encourage their restraint.</sup> ~~reduce this deadly traffic.~~

~~Our second goal~~

Every American also has a stake in our second goal - a world at peace. In a nuclear age, each of us is threatened when peace is not secured.



SCHULTZE

Draft 6  
1/18/78

~~CONFIDENTIAL~~

Mr. President, Mr. Speaker, Members of the 95th  
Congress, ladies and gentlemen:

We come together tonight at a time of loss.

Last week the Senate lost a good and honest man,  
Lee Metcalf of Montana; and today the flag of the  
United States flew at half-staff from this Capitol  
building and from American installations and ships  
all over the world, in mourning for Senator Hubert  
Humphrey.

Many of you in this room worked with him every  
day for most of your adult lives, and you will miss  
him in a special way. But his loss is felt just as  
keenly by millions who never met him, but whose lives  
were touched and improved by his.

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 12356, SEC. 3.4(b)  
WHITE HOUSE GUIDELINES, FEB. 24, 1983  
BY Jay NARS, DATE 4/1/92



Because he exemplified so well the joy and zest of living, his death reminds each of us not so much of our own mortality but of the possibilities offered to us by life. Hubert Humphrey always looked to the future with a particularly American kind of confidence and harmony, of hope and enthusiasm. The best way we can honor him is by following his example.

One year ago tomorrow, I walked from near this spot to the White House to take up the duties of President of the United States. I return tonight in fulfillment of one of the most important of those duties: to "give to the Congress" -- and the nation -- "information on the state of the Union."

I have come to speak to you about where we are, and where we must go -- of what we have done, and what



we must do -- and I have come to pledge my best efforts, and to ask you to pledge yours.

Each generation of Americans faces circumstances not of its own choosing, by which its character is measured and its spirit tested.

We cannot design our challenges, but we can determine the response we make. Whether our answers are fainthearted or courageous is entirely within our control. If we respond timidly we will regret our weakness.

There are times of crisis, when a nation and its leaders must bring their energies to bear on a single urgent task.

That was the duty Lincoln faced when our land was torn apart by Civil War. That was the duty



twice faced by Franklin Roosevelt: in 1933 when he led American out of economic depression, and again in 1941, when he led America to victory in war.

There are other times when no single overwhelming crisis exists -- yet profound national interests are nonetheless at stake.

At such times the risks of inaction are also great. It becomes the task of leaders to call for the vast and restless energies of our people to build for the future.

That is what Harry Truman did in the years after the World War, when we helped Europe and Japan rebuild themselves and secured an international order that has protected freedom from aggression.



We live in such times -- and face such duties --  
now.

Militarily, politically, economically, and in  
spirit, the state of our Union is sound.

We are a great country, a strong country, a  
vital and dynamic country -- and so we will remain.

We are a confident people, a working people, a  
decent and compassionate people -- and so we will remain.

We have come through a long period of turmoil  
and doubt. We have once again found our moral bearings  
and we are striving to express our best instincts to  
the rest of the world.

Because of our strength, we are at peace abroad.  
We are also at peace here at home where we are



are red~~is~~covering the common good that binds us together as a people.

For the first time in a generation, we are~~not~~ preoccupied with a major national crisis.

This success cannot be measured in programs, legislation, or dollars. It is a success that belongs to every individual American. There is across this land an inner peace, triggered by a growing unity in America. This unity towers over all our efforts here in Washington, and serves as an inspiring beacon for all of us elected to lead.

Together, we now have a rare and priceless opportunity to address the basic and enduring problems which have long burdened us as a nation which grew quietly and steadily over the years when we were preoccupied with crisis.



This new atmosphere demands new spirit -- a newly defined partnership between those who lead and those who elect. The currencies of this partnership are truth, the courage to face hard decisions, concern about one another, and a basic faith and trust in the wisdom and strength of the American people.

In this period of relative calm we have been given a chance to cleanse, to reconsider, and to restore the things that have too long been neglected.

We must make the effort -- because if we do not aim for the best we can achieve, despite our limitations and difficulties, we will achieve much less than we can.

As President I have asked you -- the members of Congress, and you, the American people -- to come to



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grips with some of the hardest questions facing our society.

I see no benefit to the country if we wait, for delay would simply postpone necessary action. The problems would only grow worse, the needed solutions more drastic.

We need patience and good will, but patience must not become indifference, and good will must not become complacency.

There is a limit to the role and function of government. It cannot solve all our problems, set all our goals, or define our vision. It cannot alone eliminate poverty, provide a bountiful economy, <sup>reduce</sup> save <sup>inflation</sup> cities, cure illiteracy, provide energy, nor mandate goodness. Only a true partnership among us all can hope to reach these goals.



<sup>e</sup>  
Those who govern can sometimes inspire, identify  
^  
needs, and marshal resources.

We must move away from crisis management and establish long range goals which will let us work with harmony and not dissention. Never again should we neglect an impending crisis like the shortage of energy, forcing harsh and painful solutions to avoid increasing agony. ~~Now~~ we must act immediately -- all of us -- to stop wasting energy, to increase domestic production, and to shift to fuels which are more permanent and plentiful.

Day after day, month after month, our dependence on foreign oil drains from our economy resources we cannot afford to lose. Last year we spent \$45 billion for foreign oil. This economic dependence on foreign oil slows our economic growth, erodes the value of the dollar overseas, and aggravates inflation at home.



We know we have to act. We know what we must do: increase energy production, promote conservation, and shift consumption toward those fuels which are more permanent and plentiful. We must be fair to our people, and consistent with our long-range objectives for the economy and the budget.

I recognize the difficulties involved. I know it is not easy. But the fact remains that we have failed the American people. Almost five years after the oil embargo dramatized the problem, we still do



not have a national energy program. Not much longer will our nation tolerate this stalemate. We must succeed, and we will!

Our main task at home this year, with the energy policy its most crucial element, is the economy -- to ensure that recovery is sustained, that unemployment continues to decrease, and that the rate of inflation is reduced.

1977 was a good year for the United States.

*[We have not reached our longer term goals]*

We reached all ~~of our~~ <sup>the</sup> major economic goals <sup>we set at the beginning of the year.</sup> Four million

new jobs were created, and the number of unemployed dropped by more than a million. Not since World War II has such a high proportion of our people been employed.

The rate of inflation has declined. There was good growth in corporate profits and business



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investments -- the source of more jobs for our workers --  
and a higher standard of living for all our people.

Workers' real wages increased substantially.

This year, our country will have the first two  
trillion<sup>on</sup> dollar economy in the history of the world.

We are proud of this progress, and determined to  
sustain it.

*[The tax cut is a very traditional tool]*  
~~But the traditional tools of economics have~~  
*failed us]* <sup>But</sup> and we still have severe problems, which  
all of us must address together. Our trade deficit  
is too large, inflation is still too high, and too  
many Americans still cannot find work.

There are no simple answers for these problems.  
They involve complicated questions of resources, of  
human behavior, of historical change, that are beyond



the power of any government to control. But we have developed a coordinated economic policy that will work, because it is sensible, it is balanced, and it is fair. It is based on these four principles:

-- First, the economy must keep on expanding to produce the new jobs our people need. Only through steady growth can American workers enjoy higher real incomes. <sup>that</sup> ~~And~~ the fruits of growth must be widely shared. <sup>must</sup> Jobs ~~will~~ be made available for those who have been by-passed until now, and the tax system must be made fairer and simpler.

--Second, private business, not the government, must lead the expansion.

--Third, we must lower the rate of inflation and keep it down. Inflation slows down economic growth, and it is <sup>most</sup> ~~cruelest~~ to the poor and to the elderly and others who live on fixed incomes.



-- Fourth, we must contribute to the health of the world economy.

I will announce my proposals for immediate tax reform and tax reduction this weekend. We can make our tax system fairer; we can make it simpler and easier to understand; we can eliminate unwarranted loopholes and special privileges; and at the same time we can -- and will -- reduce the tax burden on American citizens by \$25 billion!

The tax reductions are necessary to help us continue the steady economic expansion that will create the jobs we need.

*Almost*  
~~More than~~ \$17 billion in income tax cuts will go to individuals. Ninety-nine percent of American taxpayers will see their taxes go down. For a typical



family of four this will mean an annual savings of more than \$250. A further reduction of \$2 billion in excise taxes will give additional relief and directly reduce the rate of inflation.

The rest of the total tax reduction will be cuts in business taxes to provide additional incentives for investment.

These tax cuts will more than compensate for the necessary increases to prevent bankruptcy of the Social Security System.

Our tax proposals will increase opportunity everywhere in this nation, but even in good economic times we must create additional jobs for the disadvantaged.



We have passed laws to assure equal access to the voting booth, the restaurant, to housing, and to jobs. But unless there is actual job opportunity -- the chance to earn a decent living -- the other rights *lose much of their meaning* ~~mean very little~~.

A major priority for our nation is the final elimination of barriers that restrict the opportunities available to Black people and other minorities. We have come a long way toward that goal. There is still much to do. The legacy of the past must not be permitted to hamper our future. Our commitment to equal opportunity is undiminished. Our resolve is unshakeable to build an American in which all our citizens freely enjoy the benefits and responsibilities of democracy.



We can enhance harmony among our people, honor  
our commitment, and <sup>pay tribute to</sup> ~~honor~~ one of the most beloved  
leaders in the history of our nation -- by passing  
the Humphrey-Hawkins bill this year!

In our free economy, private business is still  
the best new source of jobs. Therefore, I will  
propose to the Congress a new program which will  
provide incentives for businesses to hire young and  
disadvantaged Americans. These young people only  
need skills -- and a chance -- in order to take their  
place in our economic system. Let's give them the  
chance they need!

I am asking for a substantial increase in funds  
for public jobs for our young people, and when welfare  
reform is completed for creation of <sup>more than a</sup> ~~14~~ million jobs  
for those on welfare who are able to work. I am also



recommending that the Congress continue the public service employment programs at more than twice the level of a year ago.

My budget for 1979 addresses our national needs, but it is lean and tight.

It proposes increased expenditures after  
adjusting for inflation (of less than two percent) --  
the smallest growth in the Federal budget in four years.

I have cut waste wherever I could.

Over the past few years, Federal spending has grown steadily to absorb too much of what Americans produce. Next year I hope to bring the government's share down. ~~(even further.)~~ [We will reverse that trend]

(It goes  
up in  
FY '78)



~~in the coming year,~~ and later I hope to bring <sup>it</sup> ~~the~~  
~~government's share~~ down even further.

In time of high employment, <sup>and a strong economy</sup> deficit spending  
should not be a feature of our budget. As the economy  
continues to gain strength and our unemployment  
rates continue to fall, revenues will grow. With  
careful planning, efficient management, and proper  
restraint on expenditures, we can move rapidly toward  
a balanced budget.

Next year the budget deficit will be only  
slightly less than this fiscal year -- but would  
have been \$15 - 20 billion smaller without the  
necessary tax cuts I have proposed.

This year the right choice -- the only proper  
choice -- is to reduce the burdens on taxpayers,



ensure a vigorous economy, and keep the unemployment rate going down.

The third element in our program is a renewed attack on inflation. We have learned that high unemployment will not free us from inflation.

*P* Government can help to revitalize private investment and can maintain a responsible economic policy -- both of them essential to sustained growth.

Government must also do a better job of reducing excessive regulation that drives up costs and prices.

But government alone cannot bring down the rate of inflation. <sup>when</sup> a high rate of inflation is expected to continue, Companies raise prices to protect their profit margins against prospective increases in wages and other costs while workers demand higher wages as



protection against expected price increases. It's like escalation in the arms race, and, understandably, no one wants to disarm alone.

No one firm or group of workers can halt this process. It is an effort we must make together.

I am therefore asking government, business, labor, and other groups to join in a voluntary program to moderate inflation by reducing the rate of wage and price increases <sup>in each sector of the economy during</sup> in 1978 below the rate <sup>average</sup> each group <sup>of</sup> averaged in the last two years.

I do not believe in wage and price controls.

My proposals provide a way -- perhaps the only way -- to achieve results without government interference or coercion.



A successful economic program at home is also the key to success in our international policy.

Adopting an effective energy program, encouraging investment and productivity, and controlling inflation will improve our balance of payment position and protect the integrity of the dollar overseas. A strong U.S. economy will promote recovery throughout the world.

By working closely with our friends abroad we can promote the health of all our nations, and conclude fair and balanced agreements lowering barriers to trade.

Even as the inevitable pressures develop when the world economy suffers from high unemployment, as it does today, I will firmly resist the demands for protectionism. But free trade must also be fair trade.



I will protect American industry and workers against unfair or illegal foreign trade practices.

In our other domestic initiatives, our aim will be to deal with the questions that have been too long neglected, to seize the opportunity to correct mistakes and to prepare for a better future.

We will seek reform of our labor laws, and the establishment of an agency to protect the nation's consumers. We will reform our programs of nuclear licensing, crop insurance, and leasing on the outer continental shelf, and improve the basic skills of our children with a major education initiative.

We will be working to reform our welfare system, and to begin considering an urban policy and a national health care system. And we will seek to preserve our last great frontier wilderness by creating national



parks and wildlife refuges from 92 million acres of Alaskan public lands. Not since the days of Theodore Roosevelt and Gifford Pinchot have we had such an opportunity to protect and preserve our natural heritage.

During these past years we have seen our government grow far from us.

For the average citizen it has become like a foreign country, so strange and difficult that often we have to deal with it through trained ambassadors -- lawyers, lobbyists, and accountants.

This cannot go on.

We must have what Abraham Lincoln sought -- a government for the people.



And you in the Congress have helped me make progress toward that kind of government. You have given me the authority I requested to reorganize the Federal government bureaucracy, and I am using it.

We have already completed three reorganization plans, and I will present several others to the Congress for action this year.

We have proposed abolishing almost 500 advisory commissions and boards.

But our people are still sick and tired of Federal paperwork and red tape. Bit by bit we are chopping down the thicket of unnecessary Federal regulations by which government too often interferes in our personal lives and business. OSHA alone has



eliminated more than a thousand unneeded regulations, and overall we have cut the public's paperwork load by 12 percent.

We have made a good start on turning the gobbledygook of Federal regulations into plain English that people can understand, but we still have a long way to go.

We have brought together parts of eleven government agencies to create the new Department of Energy -- and now it is time to take another major step by creating a separate Department of Education.

Next month, I will submit to Congress a plan to reduce discrimination in employment and other plans will be submitted later this year.



But even the best-organized government will only be as effective as the people who carry out its policies.

For this reason, I consider Civil Service reform to be absolutely vital.

~~Work~~ed out with the civil servants themselves, these changes will reward excellence by restoring the merit principle to a system which has grown, over the years, into a bureaucratic maze. This will protect our civil servants, provide greater management flexibility, and increase incentives for good performance.

Then and only then can we have a government that is efficient, open, and truly worthy of our people's understanding and respect.



I have promised we will have such a government.

I will keep that promise.

\* \* \*

In our foreign policy, this separation of our people from the government has been a source of weakness and error. In a democratic system like ours, foreign policy decisions must be able to stand the test of public scrutiny and debate. If we err in this administration, it will be on the side of frankness and openness.

In our modern world when the deaths of millions can result from a few terrifying seconds of destruction, national strength and security is identical with the path to peace.



Tonight our nation is at peace with the world.

We are strong and confident. We have restored a moral basis for our foreign policy. The heart of our identity as a nation is our <sup>firm</sup> commitment to human rights.

We expect no quick or easy results, but there has been some movement toward greater freedom and humanity in some parts of the world.

Thousands of political prisoners have been freed -- ten thousand in Indonesia alone. The leaders of the world -- even our ideological adversaries -- now see that ~~that~~ protection of fundamental human rights affects their standing in the international community and their relations with the United States.



The cause of human rights will never die!

\* \* \*

But the moral basis of our foreign policy is suspect when we are the principal arms merchant of the world.

We have decided to cut down our arms transfers abroad, on a year-by-year basis, and to work with other major arms exporters to reduce this deadly traffic.

We are also cooperating more fully with our allies to promote security and to enhance world economic growth and stability.

Last fall with the help of others we succeeded in our vigorous efforts to maintain stability in the



price of oil. We have begun to improve our trading relationships with Japan. We have reaffirmed our commitment to the security of Europe, and this year we will demonstrate that commitment by modernizing and strengthening our defense capabilities there.

We are trying to develop a more just international system. In this spirit, we have aligned ourselves with the struggle for human development in Asia, Africa, and Latin America.

We are changing the emphasis of our assistance programs so that as much of our aid as possible goes toward meeting the simple human needs of the world's poor for food, for shelter, for basic education, and for health care.



We are working hard to promote peaceful reconciliation in those parts of the world where major differences threaten international peace.

In the Middle East, President Sadat has taken a bold initiative in going to Jerusalem -- and Prime Minister Begin is moving to take advantage of this historic opportunity for a comprehensive peace. We are contributing our good offices to maintain the momentum of the current negotiations -- and to keep open the lines of communications among the Middle East leaders. The whole world has a great stake in the success of these efforts. This is a precious opportunity for the historic settlement of longstanding conflicting ideas -- an opportunity which may not come again in our lifetime.



The Panama Canal treaties now before the Senate are the culmination of the work of six Administrations -- three Democratic and three Republican. The treaties provide that the canal will be open always for unrestricted use by the ships of the world. Our own ships have the right to priority of passage in times of need or emergency, and we have the right to defend the canal with our military forces if necessary to guarantee its openness and neutrality. The treaties are to the clear advantage of ourselves, the Panamanians, and the other users of the canal. The Senate's ratification of the Panama Canal treaties will show our good faith to the world.

We will continue our peaceful competition with the Soviet Union, and we will hold our own.



At the same time, we are negotiating, with quiet confidence, without haste, with careful determination, to ease the tensions between us and to ensure greater stability and security.

The Strategic Arms Limitation Talks have been difficult and prolonged. We want a mutual limit on both the quality and quantity of the giant nuclear arsenals of both nations -- and then actual reductions in strategic arms capability as a major step toward ultimate elimination of nuclear weapons from the face of the earth.

If the talks result in an agreement this year -- and I trust they will -- I pledge to you that the agreement will maintain and enhance the security of the United States, and the stability of the world's strategic balance.



For 30 years, concerted efforts have been made to ban the testing of atomic explosives -- both military weapons and peaceful nuclear devices -- and for 30 years that objective has eluded us.

But now we are hard at work with Great Britain and the Soviet Union to reach an agreement which will stop all testing, will protect our national security, and will provide for adequate verification of compliance.

And we are working vigorously to halt proliferation of nuclear weapons among other nations of the world.

\* \* \*

There were two moments on my recent journey which, for me, confirmed what the final aims of our foreign policy must always be. One was in a village



in India, where I met people as passionately attached to their rights and liberties as we are -- but whose children have a far smaller chance for health, education, and human fulfillment than a child born in this country.

The other was in Warsaw, capital of a nation twice devastated by war in this century. There, people have rebuilt the city which war's destruction took from them; but what was new only emphasized how much had been lost. What I saw in those two places crystallized the purposes of our own country's policy: to ensure economic justice, to advance human rights, to solve conflicts without violence, and to proclaim our constant faith in the liberty and dignity of human beings everywhere.

We Americans have a great deal of work to do together.



In the end, how well we do that work will depend on the spirit in which we approach it.

We must seek fresh answers, unhindered by the stale and backward-looking prescriptions that are offered in the name of "liberalism" or "conservatism."

We must temper the demands of special interests with an understanding of what is right for society as a whole.

We must bring forth the goodness and concern and commitment that are within us and make them the basis of our common life.

That will take nothing less than the new spirit I have asked for tonight. Without it we put the very soul of our Nation at risk.



It has been said that our best years are behind us, but I say again that our Nation's best is still ahead. As we emerge from our bitter experiences with Viet Nam and Watergate we are chastened but proud, confident once again, ready to face challenges once again, united once again.

Our task, in the words of Hubert Humphrey, is "reconciliation, rebuilding, and rebirth."

Reconciliation of private needs and interests into a higher purpose.

Rebuilding the old dreams of justice and liberty, of country and community.

Rebirth of our faith in the common good.



Each of us here tonight -- and all who are  
listening in their homes -- need to rededicate  
ourselves to serving the common good. We are a  
community, a beloved community; the greatest and  
the least of us; our fates are linked; our futures  
intertwined; and if we act in that knowledge and  
with a new spirit we can move mountains.

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